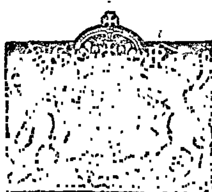


Report of an Enquiry by the Auditor General in India into the Possibility of assimilating Indian Appropriation Reports to the corresponding British Reports

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TABLE OF CONTENTS.

PART I.

PART II.

PART III.

PART IV.

APPENDIX 1.

APPENDIX 2.

Report of an Enquiry by the Auditor General in India into the possibility of assimilating Indian Appropriation Reports to the corresponding British Reports.

PART I.

SCOPE OF REPORT AND SUMMARY OF CHANGES PROPOSED

A —Scope of Report

1 This Report presents the results of the detailed enquiry which has been conducted in the office of the Auditor General in India, at the instance of the Central Committee on Public Accounts and the *Finance Department of the Government of India*, into the possibility of elaborating the information given to the Committee in Appropriation Reports and of remodelling those reports, as far as possible, on the lines on which the corresponding reports are prepared in Great Britain by the Comptroller and Auditor General

2 The detailed enquiry concerned primarily the appropriation report of central civil expenditure which is prepared by the Accountant General, *Central Revenues, in respect not only of the expenditure* audited in his office and adjusted on his books but also of expenditure audited and adjusted by other audit officers in India It has had, therefore, to be confined to the appropriation accounts of expenditure dealt with in that report and consequently the accounts of the following classes of central expenditure have had to be kept out of the pale of the enquiry—

(1) Military expenditure,

(2) Railway expenditure, and

(3) Posts and Telegraphs expenditure

3 Most of the suggestions of a general character arising out of this enquiry are, however, of such a nature that they can be equally applied, with or without slight amendment, to the accounts referred to in paragraph 2 above Indeed, they can be adopted in respect of the accounts of provincial expenditure also though, as in the case of central expenditure, the ultimate determination of the exact procedure to be observed rests necessarily with the Committee on Public Accounts and the Finance Department of the provincial Government concerned, or with the Finance Department, and the Auditor General in consultation with each other

4. For facility of disposal, the Report is divided into several parts as indicated below :—

Part I—explaining the scope of the Report and giving a summary of the changes which, as the result of this enquiry, it is recommended may be made in the forms and procedure connected with audit and appropriation reports.

Part II—describing, in detail, the changes referred to in Part I.

Part III—briefly discussing the various consequences of the proposed changes if accepted.

Part IV—detailing the points on which the Finance Department may first like to give preliminary orders, and making certain suggestions as to the action to be taken thereafter.

Appendix 1—containing lists (prepared on the basis of the Book of Demands for 1925-26) of the subheads into which it is recommended that each of the central civil grants with which this enquiry is primarily concerned be divided for the purpose of appropriation accounts. In brief notes recorded on these lists are made some other suggestions connected with the appropriation accounts of the grants concerned.

Appendix 2—containing a number of annexures mostly relating to Part II, and discussing in greater detail some of the points connected with the changes proposed as well as changes not recommended for adoption.

5. To the Report is also appended the draft* of a manual (with forms) of instructions for the preparation of audit and appropriation reports (central as well as provincial) which it is proposed to issue in place of the existing rules on the subject as contained in Articles 160 to 163 and in Chapter 43 of the Audit Code. Most of the changes proposed in this Report have been incorporated in the draft Manual so that a perusal of it may give a clear idea of what is contemplated, and as the actual procedure to be observed in respect of the accounts of each Government must depend on the expressed wishes of its Committee on Public Accounts, as accepted by the Finance Department, many of the rules of the draft manual are necessarily in permissive form so as to be suitable for all conditions and circumstances. It is not proposed, however, to authorise the issue of the manual until the Government of India have expressed their views and intimated the preliminary orders referred to in Part IV of the Report.

* Not printed.

B — SUMMARY OF CHANGES PROPOSED

6 The more important conclusions which have been arrived at as the results of this enquiry and which are recommended for acceptance, are stated in paragraphs 7 to 13 below. As stated above, all these points, as well as a number of minor points, are explained and discussed at length in Part II and Appendix 2 of the Report

7 The scope of the present Appropriation Report should be enlarged so as to make it a self-contained report like the British report, and the complete Audit and Appropriation Accounts referred to in Rules 51 and 52 of the Indian Legislative Rules and Rules 33 and 34 of the Provincial Legislative Rules

8. As a consequence of this, the present Audit Report and Appropriation Report can be so reorganised as to make the former a report for the executive Government, and the latter (duly enlarged) as the "Audit and Appropriation Accounts" for the executive Government as well as for the Committee on Public Accounts, the two reports together constituting the "Audit and Appropriation Reports" referred to in Rule 15 of the Auditor-General's Rules

9 The form of the Appropriation Accounts of central civil expenditure should be remodelled and simplified on the following lines —

(i) The detailed accounts of each Grant by circles of account (India, Madras, Bombay, etc) are unnecessary and *should be abolished, and the single account of the Grant* should be a consolidated account showing the expenditure on each head of service and not one showing the expenditure in each circle of account

(ii) The accounts of voted and non-voted charges should not be separate There should be a combined account of each Grant, the voted and non voted charges falling under each head of service being shown therein separately and in juxtaposition, as in the case of the Demands presented to the Legislative Assembly

(iii) The appropriation account should compare the actual expenditure with the grant as sanctioned by the authority concerned (*viz* the Legislature for voted charges and the Finance Department for non voted charges)—original as well as supplementary grants—and not with the grant as finally amended by orders of reappropriation issued by executive authorities The modifications made by *those orders should be excluded altogether from the* account

(iv) As a *corollary* to (*ii*) and (*iii*) above, the form of the appropriation account can be simplified by reducing the number of columns from 13 to 5 only, separate columns for supplementary grants being also unnecessary. This would incidentally facilitate a reduction in the size (from foolscap to royal octavo) of the volume containing the *appropriation accounts*, and thus economise substantially the cost of printing and paper.

10. The substance of the appropriation accounts can be considerably improved by remodelling it as indicated below, and in other minor respects described in detail in Part II of this Report :—

(i) The appropriation account *of each Grant should not* necessarily be detailed by the minor heads of the general accounts classification, but by suitable subheads prescribed specially for the Grant in accordance with certain general principles which may be prescribed for the purpose by the Finance Department and consistently with the requirements of the Finance and Revenue Accounts. Complete lists of subheads proposed for all the existing central civil grants are given in appendix 1 to the Report, and the principles recommended for adoption, in the first instance, are enunciated in paragraph 35.

(ii) Suitable Notes should be appended to the appropriation accounts, and these should follow, as closely as is possible in the peculiar circumstances of the system of accounts and audit in force in India, the procedure observed in Great Britain. Not only should the explanations of the variations between Grant and Expenditure be fuller than at present, but supplementary information should be appended in respect of certain special transactions as suggested below, and of losses, irregularities, etc., connected with the expenditure brought to account.

(iii) Store accounts—whether subject to the audit of the Indian Audit Department or not—in *simple form* should be prepared in respect of important stocks and appended to the appropriation account of the Grants out of which they are financed. A list of the store accounts proposed for the present is given in annexure No. 23 in appendix 2 to this Report.

(iv) In support of those subheads of an appropriation account which deal with expenditure on New Works (whether constructed by the Public Works Department or by another Department) detailed statements should be appended to the account showing the expenditure of the year as well as the progressive expenditure on each important major work (*costing more* than a specified

sum, say Rs 50,000 for civil works and Rs 1 lac for irrigation works) and comparing the progressive expenditure with the sanctioned amount

(v) Similar information should be exhibited either in appended statements or in foot-notes to the appropriation accounts concerned, as may be suitable, in respect of important special and non-recurring charges other than expenditure on New Works, *e g* those connected with political or trade missions, committees, conferences, schemes of enquiry or reorganisation, etc , etc

(vi) For important *quasi* commercial concerns suitable trading accounts, balance sheets, etc should be exhibited This will necessarily be a gradual process, as the problem of commercialising the accounts of such concerns and of commercial departments is still in its infancy in India, but in many cases it may be possible to have *pro forma* trading accounts where regular trading accounts do not exist A list of the accounts which it is considered can be exhibited at once or in the near future is given in the annexure No 22 in appendix 2 to this Report Later on, when the number of trading accounts is large, it may be desirable to publish all trading accounts of the year in a separate volume as in Great Britain

(vii) For expenditure incurred in the form of grants in aid it seems desirable to settle certain general principles so that the extent of the audit to be applied to the payments made as grants-in aid and (when necessary) to the expenditure met out of the grants-in aid by the grantees, and of the information to be exhibited in the appropriation account may be known clearly in each case, and further that a clear distinction may be observed in all appropriation accounts, between expenditure which is properly subject to the relaxed audit peculiar to grants-in aid and other expenditure

11 The Audit Officer's Report on the appropriation accounts should be made more comprehensive than at present by including in it that officer's observations relating to serious financial irregularities which are now mentioned in the separate Audit Report, and these observations should be classified by Grants so that the Committee on Public Accounts or other authority reviewing a particular appropriation account, may be able to deal readily with the serious irregularities connected with it All financial irregularities, otherwise worthy of mention, should be mentioned, even though the orders of the Government thereon may not have issued, and the present practice of withholding mention of those under consideration should be discontinued To this I attach special importance

as the present practice often leads to such delay in the presentation of cases to the Committee on Public Accounts as to militate seriously against the adequacy of their consideration of such cases.

12. It is not necessary to give in the Report on the appropriation accounts for a year a complete list of all changes effected during the year in the prescribed classification of the general accounts. It would suffice to mention only those changes which affect the classification of Grants, the classification of expenditure major and minor heads and of subheads of Grants, or the form etc. of the appropriation account.

13. The Audit Report, as stated in paragraph 8 above, should be written as a report for the executive Government. No important changes are necessary in this Report, but the remarks made in the section dealing with " audit activities " are mostly out of place and should therefore be confined only to a description of such special work done by the audit department as is directly connected with the accounts of the Government concerned. The general statistics of audit objections and the analysis of outstanding audit objections relating to non-Public Works Departments are at present given separately for each province in the case of the Audit Report prepared by the Accountant General, Central Revenues. These may be consolidated with advantage. It is unnecessary to show them separately by provinces. Separation by departments may be useful for some of the important spending departments, as is done at present in respect of the Public Works Department, but this will be easy only where and when they have their own accounting officers.

PART II

DETAILED DESCRIPTION OF THE CHANGES PROPOSED

14 This part deals with a detailed description of the changes in rule and procedure which the Auditor General recommends as a result of this enquiry They are described under the six headings given below, and further details relating to some of the points involved have been transferred to appendix 2 which contains a number of short notes intended to be considered as annexures to this Part of the report

A Enlargement of the scope of the present Appropriation Report and consequent reorganisation of Audit and Appropriation Reports

B Changes in the Form, etc , of Appropriation Accounts

C Changes in the Classification of Grants and of Subheads of Grants

D Other Changes in Appropriation Accounts

E Changes in the Report on Appropriation Accounts

F Changes in the Audit Report

A —Enlargement of scope of present Appropriation Report and consequent reorganisation of Audit and Appropriation Reports

15 From the summary of the results of this enquiry given in Part I, it will be seen that the first place is assigned to the suggestion to enlarge the scope of the present appropriation report and to reorganise the audit and appropriation reports This is a proposal of some importance and needs, therefore, a somewhat lengthy explanation

16 At present, in respect of the accounts of each Government, the Audit Department prepares two reports annually (1) the Audit Report, within about 6 months of the expiry of the year, and (2) the Appropriation Report, within 11 or 12 months The statutory rules, whilst they require (Rule 15 of the Auditor General's Rules) the Auditor General to obtain from his audit officers " Audit and Appropriation Reports reviewing the results of the audit conducted * * * during the past financial year", they entrust to the Committee on Public Accounts the duty of dealing with what are described as " the Audit and Appropriation Accounts " *vide* Rules 51 and 52 of the Indian Legislative Rules and Rules 33 and 34 of the Provincial Legislative Rules

17 A reference to the procedure rules of the Audit Department (Articles 160 163, and Chapter 43 of the Audit Code)

scope and prescribing the subject matter of the Audit and Appropriation Reports will show that the two reports which each audit officer has to prepare annually, taken together, contain a great deal of matter which, though interesting and useful from the point of view of the executive Government, is obviously foreign to the scope of "the Audit and Appropriation Accounts", the disposal of which by the Committee on Public Accounts is contemplated by the Legislative Rules. Whether the matter be examined from the point of view of the procedure observed in Great Britain or from that of the notice which the Indian Committees on Public Accounts have actually taken of the said matters as contained in the Reports so far presented to them, there is no denying the fact that these matters are out of place in "the Audit and Appropriation Accounts" presented to the Committees and that they necessarily encumber those accounts and possibly detract from their utility to the Committees. The matters, which are particularly referred to, are the following :—

(*a*) the general remarks (usually made under the heading "Audit Activities") relating to the work of the Audit Department, etc., including special features of the work done during the year under review,

(*b*) the analysis of objections (excluding those in respect of appropriations) outstanding on the 31st July following the year under review,

(*c*) general comments on the expenditure in March (as opposed, of course, to specific irregularities in which hasty expenditure in March is a contributory factor), and

(*d*) the Appendix to the Appropriation Report giving the statistics of the objections arising out of that detailed appropriation audit which is conducted on behalf of the executive Government, and an analysis of the outstanding audit objections of this class, and reviewing the statistics and the analysis.

18. Practically, only two parts of the Audit Report, as at present prepared, concern the Committees on Public Accounts. These are the parts dealing with financial irregularities and the inferences to be drawn from and the statistics of expenditure placed under objection. It will be seen, however, on reference to Articles 804 *et seq* of the Audit Report, that there are two peculiar features of the part of the report dealing with financial irregularities, *viz.*—

(1) that whilst only the serious and important irregularities are required to be mentioned, they are to be so grouped as to indicate the various types of serious irregularities that were prominent during the year under review, and

(2) that the audit officers are not at liberty to mention any irregularity in the report except with the special sanction of the Government concerned, before the Government has passed orders on the case connected with the irregularity

There is nothing corresponding to these features in the British reports

19 The first of the two points mentioned above is open to two objections from the standpoint of the Committees on Public Accounts—(1) that the connection between an irregularity and the appropriation account of the Grant (or Department) concerned is nowhere established and (2) that if there are two or more serious irregularities connected with the account of a particular grant the connection between them is not established and the fact of the existence of more than one irregularity may be overlooked altogether

20 The second point is open to even more serious objection One need not press the technical objection that this rule deprives the audit officer of the right to make the report of an irregularity (which may possibly be a report against the action of the Government concerned) until the Government have chosen to give him the permission to do so or to pass their orders on it Quite apart from this, it is a serious blot against the existing arrangement and one on which both the executive Governments and the Committees on Public Accounts are known to have commented more than once with good reason, that financial irregularities connected with accounts are often not included in the Audit Reports until a year or two after the expiry of the year in the accounts of which they occurred and that in cases of irregularities which are the result of local audit conducted annually the delay in reporting is longer still It has often been remarked that such belated reports serve no useful purpose and that when they are made it is too late for the Committee to comment upon the disciplinary or remedial action taken and for the Finance Department to reconsider the action taken by themselves or by administrative departments

20A Taking all these facts into account, it is felt that the system of commenting upon financial irregularities should be changed altogether The section of the Audit Report at present dealing with this subject may well continue for the benefit of the executive Government, but the Committees on Public Accounts should have before them (when dealing with the appropriation accounts of grants) a complete record of all irregularities connected therewith which in the Audit Officer's opinion should be placed before them

21. The statistics of expenditure placed under objection have not been studied by the various Committees on Public Accounts but some of them have rightly paid attention to the inferences to be drawn therefrom as to the progressive improvement or deterioration in the general standard of regularity of expenditure. These inferences alone, without the statistics, will be reported for the information of the Committee on Public Accounts.

22. In other words, the existing Audit Report may remain more or less as it is, but it should be considered as a report for the executive Government, and the scope of the present Appropriation Report should be so enlarged as to make it the complete and self contained Report on the "Audit and Appropriation Accounts" referred to in the Legislative Rules. The two reports thus reconstituted would form collectively the Audit and Appropriation Report referred to in Rule 15 of the Auditor General's Rules. The Audit and Appropriation Accounts would deal with all accounts, whether of voted or of non-voted charges, though the Committees on Public Accounts would continue to deal only with such matters as fall within their jurisdiction under the Legislative Rules.

23. The recommendation, therefore, is that the scope of the present Appropriation Report be enlarged and the Audit and Appropriation Reports be reorganised as indicated above. The further details are described in paragraphs 69 to 80 and in annexures Nos. 26 and 30 to 32 in Appendix 2, and also in the draft manual for the preparation of audit and appropriation reports.

B.—Changes in the Form etc. of Appropriation Accounts.

24. The principal changes recommended in the form of appropriation account are the following :—

(1) Each central grant should have a single appropriation account comparing, usually by subheads, the grant and the expenditure for the whole of India, and the detailed appropriation accounts by circles of account which are prepared in addition to the all-India account, should be abandoned. The present all-India account is an abstract by circles of account, instead of an abstract by heads of account, and is, therefore, not suitable.

(2) The appropriation accounts of non-voted and voted charges should be combined and not kept separate as at present. In other words, the precedent of the Book of Demands should be followed in this respect.

(3) The appropriation account should compare the actual expenditure with the grant as made, whether by original or by supplementary grant, by the sanctioning

authority (*viz* the Legislature for voted charges and the Finance Department for non voted charges) and not with the grant as modified by orders of reappropriation, issued by various executive authorities subsequent to the orders making the grant The procedure recommended is also the British procedure This change would make some columns of the form unnecessary When discussing excesses or savings shown in the account under individual subheads constant reference would be made of course to the executive reappropriation orders whereby excesses were met or savings utilised

(4) The form of the appropriation account can be simplified further by abandoning the 3 columns which are necessitated by the provision to show supplementary grants in special columns The necessary information can be given as in Great Britain without retaining separate columns for their exhibition

(5) The size of the printed account should be changed from foolscap to royal octavo and considerable saving effected in consequence in the cost of printing This saving is very desirable in view of the increase in that cost consequent upon other changes

25 Changes (1), (2) and (5) are commented upon at length in annexures Nos 1, 2 and 4, and changes (3) and (4) in annexures No 3 in appendix 2

26 In annexures Nos 5 to 7 in appendix 2 are discussed, some minor points, mentioned below —

(6) Form in which appropriation accounts should be summarised (annexure No 5)

(7) The need of formal Audit Certificates on appropriation accounts (annexure No 6)

(8) The need of certificates of superior sanctions (annexure No 7)

27 A sample of each of the following forms which it is proposed to use will be found in the draft manual Special attention is invited to the foot notes to the form of the appropriation account (Form A) It will be seen that the general plan is similar to that adopted in Great Britain, and that it has been rendered possible only by the changes proposed above —

Form A —Appropriation Account

Forms B and C —Summaries of Appropriation Accounts

C.—Changes in the Classification of Grants and of Subheads of Grants.

28. In the lists (appendix 1) embodying the suggestions for reclassifying, for purposes of appropriation accounts, the existing Central civil grants, no attempt has been made to suggest any rearrangement of the demands. The proposals made therein are directed mainly towards elaborating and rearranging the existing subheads of appropriation accounts, the general assumption being that the scope of subject grants, as outlined in the Book of Demands for 1925-26, will remain more or less unchanged.

29. Under the Legislative Rules it rests with the Finance Member to determine the units for which a separate grant may be presented to the Legislature.

30. In view of the attitude adopted by the Central Finance Department towards their Committee on Public Accounts, it may be reasonably presumed that, following the English custom, a convention will come to be established in India also whereunder, though the number and scope of individual grants will be formally determined by the Finance Department, such determination will be made in consultation with the Committee on Public Accounts.

31. In cases in which the number of subheads proposed in respect of an existing grant is considered to be too large, an alternative course would be to split up the one grant into two or more grants, and, though the decision rests with the Finance Department, it should be open to the Committee, if they desire, to make a recommendation to this effect. In making such a recommendation, the Committee will no doubt take into consideration both the advantages and disadvantages (which are fairly obvious) of splitting up grants and thereby increasing their number.

32. Similarly, in regard to the subheads of Grants it may perhaps be held that, though the subheads of a Grant will be determined by the Finance Department, no change will ordinarily be made without consulting the Committee on Public Accounts. In this case, too, it is open to the Committee to recommend any changes which they consider desirable.

33. Further, following the British practice, it is suggested that the subheads by which it is intended that a Grant should be accounted for should be so detailed in a special statement in the Estimates (Demands for Grant). In Great Britain, detailed estimates are preceded by two statements in the form reproduced below, and it is suggested that the Finance Department may consider the desirability of adopting a similar procedure :—

Vote Class II, 21.

EXCHEQUER AND AUDIT DEPARTMENT

I Estimate of the amount required in the year ending 31st March 1923 to pay the Salaries and Expenses of the Department of the Comptroller and Auditor General (29 and 30) Vict c 39, 52 and 53 Vict c 31 and 11 and 12 Geo V c 52) —

One Hundred and Fifty nine Thousand Pounds

II —Subheads under which this Vote will be accounted for by the Exchequer and Audit Department

—	1921 22	1922 23	Increase	Decrease
A Salaries Wages and Allowances				
B —Travelling and Removal Expenses				
C —Incidental Expenses				
GROSS TOTAL				

* * * * *

At present the summary of the detailed estimate of a Demand as given in our Book of Demands is usually a summary by circles of account (India Madras Bombay etc) Such a summary if required may be transferred to a later part of the estimate As observed elsewhere it is not suitable for adopting as the basis on which to classify the Grant for the Demand into subheads for the purpose of appropriation accounts

34 In annexure No 8 in appendix 2 is discussed the general question of elaborating subheads of grants It will be seen from paragraph 11 of that note that all the central civil grants except those relating to the commercial departments of Railways and Posts and Telegraphs have been examined individually in detail, and that a plan of sub division in respect of each Grant has been worked out separately and described in subsidiary notes The plans for all the grants are for approval

35 It is not necessary to suggest that definite rules be laid down for determining the subheads of a grant in fact it is very difficult to prescribe exact rules of universal application though certain general principles may be laid down with advantage If however the experience gained by the detailed examination which had to be made of central civil grants with the object of determining suitable subheads thereof on the analogy of the British appropriation accounts is to be stated in a few sentences for future

reference, the following general remarks may be found useful in enunciating general principles :—

(a) Any principles that may be prescribed must maintain the necessary correlation between the Finance and Revenue Accounts and the Appropriation Accounts. Both these accounts so far as expenditure figures are concerned, have to be prepared from, and therefore based upon and agreed with, the general accounts as maintained in account offices. In its turn, an Appropriation Account, so far as the figures of the Grant are concerned, bears a definite relationship with the Grant, which means also with the subheads into which the Demand for the Grant is divided. Thus, within limits, a necessary relationship must always exist between the details given in the Finance and Revenue Accounts on the one hand and the subheads of a Demand on the other. The essential details of the Finance and Revenue Accounts being the minor heads of the accounts classification, it follows that the classification of a Demand into subheads must closely follow and be consistent with the classification of expenditure accounts into minor heads, so that the appropriation accounts may be reconcilable with the Finance and Revenue Accounts. In other words, in general structure, the Finance and Revenue Accounts, the general accounts, the appropriation accounts, the Grants, and the Demands for Grants should all hang together, though the last named three may differ in detail from the first two.

(b) Charges falling under each of the following account heads may ordinarily be treated as distinct subheads of a Grant :—

Pay of Officers;
Pay of Establishments;
Allowances, Honoraria, etc.;
Supplies and Services; and
Contingencies.

(c) If the amount of the expenditure under any of these heads is considerable, the head may be subdivided further. On the other hand, if the expenditure is small, two or more of these heads may form a single subhead of the appropriation account, as in the combinations given below :—

Pay and Allowances;
Pay of Officers and Establishments;
Supplies and Services, and Contingencies; or Expenses; and
Pay, Allowances and Expenses.

(*d*) It is desirable that expenditure of each of the following classes should, as far as possible, be treated as a distinct subhead —

Establishment charges payable to other Governments, Departments, etc.,
Works,
Loss by Exchange,
Grain Compensation Allowance, and
Abnormal or occasional charges

(*e*) Abnormal or occasional charges, when representing a distinct service, may even form a group of subheads, *e.g* charges in connection with committees of enquiry, conferences, etc

(*f*) Each of the undermentioned classes of expenditure must be kept separate from other classes of expenditure, as the nature of the appropriation audit applied to such expenditure is different from that of the audit applied to ordinary expenditure —

Grants in-aid,
Secret Expenditure,
Unaudited Expenditure, and
Recoveries taken in reduction of expenditure

(*g*) The following items should also be kept distinct —

Reserves (for general purposes),
Lump sum provision for specific purposes,
Lump sum reductions of demand, and
Lump sum deduction for probable savings

(*h*) Similar services connected with different administrative organisations may be provided for by a combined set of subheads or by separate set for each organisation, as may be deemed suitable

(*i*) Expenditure connected with commercial undertakings of importance should have a subhead or group of subheads assigned to it

(*j*) Expenditure which is large or important enough to have a special group of subheads assigned to it may even be large enough to have a separate grant to itself

(*k*) As an exception to clauses (*b*) to (*e*) above, the appropriation account need not exhibit by subheads the expenditure recorded in the Government accounts under any one minor head of account, if the total expenditure within the year under that minor head does not exceed a money limit prescribed for the purpose (say Rs 1 lac)

(*Note* —As no such limit has yet been prescribed no attempt has been made to reduce the subheads suggested for individual grants as will be necessary when the limit is fixed)

36. Some of the suggestions hinted at above are dealt with at some length in the annexures (appendix 2) referred to below :—

Annexure No. 9.—Reserves for general purposes, and lump sum provision for specific purposes.

Annexure No. 10.—Lump sum deduction for probable savings.

Annexure No. 11.—Separate *minus* subheads for recoveries of expenditure.

37. In annexure No. 12 is discussed a suggestion to the effect that there should be no sub-head in appropriation accounts for the usual adjusting entries, described as "For rounding", which appear at present in the budget estimates and consequently sometimes in appropriation accounts also.

D.—Other Changes in Appropriation Accounts.

38. The details appended to individual appropriation accounts can be elaborated to a considerable extent on the lines of the British appropriation accounts. Proposals relating to the exhibition of subsidiary information connected with grants-in-aid, new works and other special charges, store accounts, and trading accounts are discussed in the following paragraphs, the remaining points being relegated to annexures 13 to 21 in appendix 2.

Grants-in-Aid.

39. Appropriation audit of grants-in-aid is of the simplest character. It cannot be subject to the rules applying to audit of other expenditure. There are, however, no detailed rules of audit procedure, the main reason presumably being that there are no definite rules regulating administrative procedure either.

40. Annexure No. 24 (Appendix 2) is an extract from a letter from the Comptroller and Auditor General of Great Britain giving interesting information as to the procedure observed in that country, and as to the general principles underlying that procedure.

41. It seems desirable that in India too some definite principles should be accepted, so that (1) the form and manner in which the provision for grants-in-aid should be exhibited in the demands for grants may be clearly settled, and (2) as a consequence, the scope of the audit to be applied to the payments made to the grantees, and (if necessary) to the expenditure met by the grantees out of the grants-in-aid, may be automatically shown in each case, as also the accounts (if any) to be published in connection with grants-in-aid.

42. No. (2) will, as stated above, automatically follow No. (1), and the latter is essentially a matter for the Finance Department of the Government concerned to settle in consultation with the Committee on Public Accounts.

43 The audit instructions on (2) can, therefore, be only in general terms A draft in such terms (based largely on the British practice) has been attempted in Chapter III of Part II of the draft manual for the preparation of audit and appropriation reports (Appendix 3)

44 It is suggested that this draft may receive special consideration, and that at the same time the procedure referred to at (1) above may also be prescribed in respect of central grants-in aid In Annexure No 25 (Appendix 2) are given a few extracts from British publications stating the conditions attached to some British Votes in respect of grants in aid, and these may give some idea of the alternative courses open for adoption

45 *Inter alia* it is proposed further that, following again the British procedure, the principles suggested below may, by convention, be established as rules of appropriation and reappropriation —

(i) Expenditure on grants in aid falling within a Grant should be provided for under one or more distinct sub heads reserved for such expenditure

(ii) The provision for a grant in aid sub-head may not be increased by the application of savings on other sub heads

(iii) A grant in aid sub head, not provided for within a Grant, may not be created by the application of savings on other sub heads

(iv) Savings on a grant-in aid sub head may be reappropriated to other sub heads when the savings do not represent a postponement of obligations to a future year

Such rules may appear to be in conflict with Rule 38 of the Devolution Rules, but when it is remembered that, in the words of the Comptroller and Auditor General (para 8 of Annexure 24), the system of treating certain classes of expenditure as grants-in aid is an "expedient" calculated to secure relaxation of the normal requirements of audit, it will perhaps be conceded that there is good ground for establishing the proposed convention between the Finance Department and the Committee on Public Accounts

New Works and Other Special Charges

46 In the detailed budget estimates specific provision is usually made for all anticipated expenditure above a prescribed limit, *e g* , Rs 10,000 for new works, and, in addition lump sum provision is made for minor items of anticipated expenditure and sometimes for unforeseen charges also In the appropriation

account, however, both the grant and the expenditure appear collectively against one or more sub-heads, and the account does not, therefore, show to what extent the approved programme of expenditure has been followed or whether the expenditure brought to account has been incurred within the *purpose* of the vote.

47. Nor is it possible to ascertain if any expenditure has been incurred "upon some new service not contemplated in the budget" estimate or in a supplementary estimate.

48. It is suggested, therefore, that detailed statements or explanatory notes be appended to the appropriation account in respect of the more important new works and special charges.

49. In Great Britain, the *appended statements of New Works* practically detail the expenditure on each New Work, irrespective of its cost. In India perhaps such elaboration is not necessary; in fact, it may detract from the utility of the statements, the number of works the cost of which is charged against the general revenues being very considerable. In consultation with the Department of Industries and Labour (Public Works Branch), it is proposed that in the case of Civil Works only works costing above Rs. 50,000 be detailed, and that, in addition, only such major works (costing more than Rs. 10,000) be detailed as were not specifically provided for as major works in the budget estimates, either because no expenditure was anticipated, or because the works were expected to be minor works.

50. For irrigation works, a higher limit may do, say Rs. 1 lakh.

51. This suggestion covers not only works the cost of which is charged against the Civil Works and Irrigation grants for the Public Works Department but also works the cost of which appears in the accounts of non-Public Works Departments. As examples of works of the latter class may be cited works under the administrative control of the Forest, Salt, Méteorological, and Archæological Departments, and occasional large works like the construction of the Security Printing Press. As an exception, works forming part of the New Delhi Project need not perhaps be detailed. Their case is special and the project is now nearing completion.

52. The detailed procedure recommended is described in the list of sub-heads for Grant No. 67—Civil Works—(Appendix 1) and in Chapter III of Part II of the draft manual for the preparation of audit and appropriation reports.

53. For other special charges, it would be sufficient to compare, in the foot-notes to the appropriation account concerned, the actual expenditure with the provision made in the detailed budget estimate, but when the expenditure of the year involves expenditure

liability beyond the grant for the year, whether in a prior year or in a subsequent year, the particulars of such liabilities should also be given, e g., the total estimated expenditure, the progressive expenditure to the close of the year, the further anticipated liability (where this is known), whether the scheme is completed or not, etc , etc This would also be on the lines of the British procedure

54 As examples of objects of special expenditure to be so dealt with may be cited the following —political or other missions, committees, conferences, schemes of enquiry, experiment, or re-organisation, etc

55 Instructions to this effect have been incorporated in the draft manual

Store Accounts

56 The appropriation account of a grant, which covers expenditure on the purchase of stores of such a character that they can be utilised only gradually, though the account may be quite in order otherwise furnishes no assurance that the stores purchased with the money provided out of the grant were really necessary and are being properly utilised If the value involved is considerable, it is desirable that the appropriation account should be supplemented by a store account showing the existence of the unexpended stores

57 There is another important reason for regarding the store account as a necessary complement of the appropriation account The latter is no guide to the adequacy of stocks Though the grant in which the cash expenditure on stores is provided may show savings, the real value of such savings cannot be determined without a reference to the condition of the stock account at the commencement and close of the financial year, which only can show if the stock in hand has been drawn upon to a greater extent than the budget estimates (on which the cash grant was based) contemplate Similarly, if the grant shows an excess, only a reference to the subsidiary accounts of stores can explain the nature, justification or full extent of the excess The subsidiary accounts therefore, would serve to check the appropriation account and to bring to light any undue or unanticipated depletion of stock, or a considerable diminution of an increase of stock that was estimated for

58 It is not necessary to prescribe a form of store account suitable for all cases It seems sufficient to lay down that the account should give the following information —

(1) Opening balance

(2) Values received during the year indicating, if desired the principal sources of receipts ,

(3) Values utilised, sold or otherwise disposed of;

(4) Values written-off as depreciation, shortage, etc.; and

(5) Closing balance;

and that the results of stock verification and revaluation, if any, should be stated with the name of the agency employed for the verification and revaluation.

59. The account must necessarily be a value account, but where the stores are of a homogeneous character and the quantities involved are considerable, it may even show quantities (and rates, if possible), *e.g.*, in the case of salt and opium stores.

60. The audit of all store accounts does not devolve upon the Audit Department. Only those accounts are audited in respect of which a direction under Rule 12(ii) of the Auditor General's Rules has been issued. It will, therefore, always be a matter for settlement between the Finance Department and the Committee on Public Accounts as to which store accounts should be appended to the appropriation account. If the account is subject to his audit, the Accountant General, when appending it to the appropriation account, should record an audit certificate on it. Otherwise, he should state in the note to the sub-head concerned of the appropriation account that the store account is not subject to his audit.

61. On the several lists of sub-heads of Grants (Appendix 1), suitable suggestions are made in respect of the store accounts which, it is suggested, may be appended to the appropriation accounts. A complete list is reproduced in Annexure 23 (Appendix 2) for facility of reference.

Trading Accounts.

62. In regard to the accounts kept on a commercial basis, and the accounts of *quasi*-commercial undertakings not so kept, a few points of a general nature may be considered here.

63. The question of obtaining suitable trading accounts, etc., of some individual undertakings has been examined and dealt with, wherever necessary, in the explanatory notes on the lists of sub-heads of Grants (Appendix 1). For facility of reference, a complete list is reproduced in Annexure 22 (Appendix 2) of those accounts, etc., which it is considered can be appended to the appropriation accounts at once or in the near future.

64. The extension of the commercial system of accounts to what are known as commercial undertakings being in its infancy still, it will be some years before a complete list of the undertakings with the forms suitable for each can be ready. It is desirable, however, to prescribe some rule which will ensure the continued examination of the subject.

65 Following the principle laid down by the Treasury in Great Britain in 1921, it may be laid down, in consultation between the Finance Department and the Public Accounts Committee, that each department shall render, for each of its important trading, manufacturing, and other similar activities, the accounts necessary to show the results of its working, *e g* , a capital account, a trading account a profit and loss account, and a balance sheet As prescribed in Article 144 of the Audit Code, the Accountant General should address the Finance Department and take its orders, and, in no important case, should any exception be allowed except under the orders of the Finance Department, which would of course ascertain the views of the Public Accounts Committee if necessary

66 The ordinary appropriation accounts of the grants for expenditure, as stated in another note, cannot at present be signed by any officer of the department concerned The reasons given in that note would ordinarily not apply to these accounts of trading and manufacturing concerns, as these subsidiary or *pro forma* accounts would probably in all cases be prepared within the departments concerned It may, therefore, be laid down that they should be signed by the officer in immediate charge of the concern, as well as by the accountant or other officer responsible for the book keeping and compilation of the accounts In addition, each account should of course bear the signature of the audit officer, and the audit certificate should be in the form (if any) prescribed for the purpose

67 For the present, as the number of such trading, etc , accounts is very small, they may be published as appendices to the appropriation accounts for the grants concerned, and it will suffice if, in the report covering the appropriation accounts, the audit officer mentions the accounts so audited and generally reviews them when necessary Later on, the British practice may perhaps be followed of publishing the trading accounts of each Government (with the audit officer's report thereon) in a separate volume of trading accounts only.

68 General instructions on these lines have been incorporated in the draft manual for the preparation of audit and appropriation reports

E —CHANGES IN THE REPORT ON APPROPRIATION ACCOUNTS.

69 The report on appropriation accounts, as at present prepared—*i e* , the Report portion of the present Appropriation Report—is devoted to remarks and observations, most of which are of a general character affecting the entire accounts of the Government concerned and seldom having any direct connection with the appropriation accounts of individual grants

70. The most important of these observations are those relating to the finances of the Government concerned. There is nothing corresponding to this in the reports of Great Britain; but, in view mainly of the fact that the constitutional position in India is very different from that in Great Britain, it is not proposed to make a radical change in this respect.

71. In other respects, it seems desirable to assimilate the Indian report on appropriation accounts to the British report, as far as possible. A reference has already been made (*vide* paragraphs 15 to 23) to the proposal to enlarge the scope of this report. The definite changes, which it is proposed to make, may briefly be stated as follows :—

(*a*) The main report should be devoted to an enumeration of the important and serious financial irregularities connected with the appropriation accounts of individual grants.

(*b*) The inferences to be drawn from the statistics of expenditure placed under objection as to the progressive improvement or deterioration of regularity of expenditure shou'd be included though not the statistics themselves.

(*c*) Changes in the classification of accounts should be mentioned to the extent that they are relevant to appropriation accounts.

(*d*) Remarks of a general character should be on systematic basis and should deal only with such matters as are likely to be of interest to the Committee on Public Accounts or to any *ad hoc* Committee that may be appointed by the Government to deal with such accounts as the Committee on Public Accounts is not competent to deal with.

72. A detailed description of the procedure recommended for adoption is given in Chapters IV to VIII of Part II of the draft manual for the preparation of audit and appropriation reports. In Annexures Nos. 26 to 30 (Appendix 2) some of the changes are discussed in detail.

F.—Changes in the Audit Report.

73. The main reasons for making a change in the character of the Audit Report are stated at length in paragraphs 15 *et seq*, wherein has also been given some idea of the character of the changes recommended.

74. A fuller description of the proposed changes is given in the following paragraphs.

75 The section dealing with individual important cases of financial irregularity should be retained, but it should be written as a report to the executive Government itself and not, as hitherto, as a report to be laid ultimately before the Committee on Public Accounts in respect of matters within the jurisdiction of that Committee The Audit Officer s observations as to the adequacy of disciplinary or remedial action taken, in cases in which that action is held to be inadequate, should also remain, but the rule in Article 806 of the Audit Code should be abrogated and no irregularity, otherwise worthy of mention, should be omitted from the report on the ground that it has not yet been reported in the ordinary course to the Government or that the Government has not yet passed orders on it This change is discussed fully in Annexure No 30 (Appendix 2), wherein are explained the reasons for the apparent duplication, in the collective reporting of financial irregularity, which the change involves

76 The section dealing with 'audit activities' may also be retained, but the remarks in this connection should be confined to those activities of the audit office which may be connected with the work of the Government whose transactions the Audit Report deals with

77 No change of importance is necessary in the sections of the Audit Report dealing with the statistics of audit objections (other than the objections relating to appropriations) or with the analysis of outstanding objections

78 The Appendix to the present Appropriation Report (*vide* Article 928 of the Audit Code) which deals with objections in respect of appropriation audit conducted on behalf of the executive Government, should continue to be prepared, but it should be treated as an Appendix to the reconstituted Audit Report, being a publication intended for the executive Government Further, its scope should be somewhat enlarged by dealing in it with audit objections arising out of the entire appropriation audit conducted on behalf of the executive Government At present, objections which are the result of appropriation audit, as described in clauses (*b*), (*c*) and (*d*) only of Article 202 of the Audit Code, are dealt with in this Appendix It is recommended that in future audit objections which are raised on behalf of the executive Government under clause (*a*) of that Article in respect of variations of the limits of expenditure on each primary unit as determined by orders of appropriation or reappropriation, should also be dealt with in the Appendix This change is particularly necessary in view of the fact that, following the British procedure, it is proposed elsewhere (*vide* paragraphs 24 and 25) that the appropriation accounts should compare the actual expenditure on each sub head of a grant with the provision therefor as agreed to by the sanctioning authority (the Legislature for voted charges.

and the Finance Department *for* non-voted charges), whether in the original grant or in supplementary grants, and not with the modified provision as determined by orders of appropriation and reappropriation passed by the executive Government during the currency of the year.

79. As the Appendix is required primarily for the executive Government concerned, it should be definitely prescribed that it is for the Finance Department of that Government to say in what detail it would like the information to be given in the Appendix, and that the general instructions prescribed on the subject should be considered merely as indicating the general scope of the Appendix which may be modified to state the wishes of the Finance Department.

80. The detailed procedure considered necessary for the preparation of the reconstituted Audit Report is embodied in Part III of the draft manua' for the preparation of audit and appropriation reports, but some of the suggestions made above are discussed in detail in Annexures 31 and 32 (Appendix 2).

PART III.

CONSEQUENCES OF THE PROPOSED CHANGES

81 This part of the Report deals with an examination of those consequences of the proposed changes which may need immediate attention These may be divided, for convenience, into the following classes —

(A) Effect on the Demands for Grants,

(B) Effect on the Finance and Revenue Accounts and general Government accounts,

(C) Effect on the dates of submission of Audit and Appropriation Reports,

(D) Effect on the cost and labour of preparing Audit and Appropriation Reports, and

(E) Effect on the rules and regulations generally

Each of these points is examined separately in the following paragraphs —

A —Effect on the Demands for Grants.

82 As stated elsewhere (paragraph 35) a certain degree of correlation must necessarily exist at all times between the Demands for Grants, the Grants, and the Appropriation Accounts on the one hand, and between these and the Finance and Revenue Accounts and the general accounts on the other Whilst no change of importance can be made in the Finance and Revenue Accounts without obtaining the orders of the Secretary of State, the authorities in India can make any changes in the appropriation accounts so long as the necessary degree of correlation between the appropriation accounts and the general accounts is maintained It is most undesirable, however, that changes should be made in the appropriation accounts without securing, at the same time, the necessary correlation between those accounts and the Grants which means also the Demands for Grants

83 It follows that any changes which the Finance Department may decide to make in the main structure of the appropriation accounts, i e , in the division of accounts by major and sub-heads of grants, should be accompanied by corresponding changes in the structure of the Demands for Grants

84 These observations do not necessarily apply to the subsidiary accounts or explanatory statements which it may be [illegible]

to append to the appropriation account, though, as far as possible, these should be in forms derivable from the general accounts and reconciliable therewith.

85. In regard to commercial undertakings, for which trading accounts may be considered necessary, it is desirable perhaps to arrive at a definite understanding as to the form in which the demands should be exhibited. This point, however, is not one of the direct consequences of the changes proposed and discussed in this Part of the Report. It is discussed, therefore, cn a separate note, *vide* Annexure No. 33 (Appendix 2).

86. In the various proposals made in the lists given in Appendix 1 to this Report, it has been assumed that the existing arrangement of Grants, as shown in the Book of Demands for 1925-26, will continue unchanged, though one or two suggestions have been made which, if accepted, may necessitate the splitting up of an existing demand into two demands.

87. Thus, the bulk of the effect of the proposed changes, so far as the Book of Demands is concerned, will fall mainly on the details of individual demands.

88. Now, *it is immaterial, from the point of view of an appropriation account, what all the detailed items of the estimate*, on which a demand is based, are, or in what form they are prepared. As we are concerned merely with the relation between appropriation account and the demand, we need consider only those sub-heads of the demands which are to be regarded as the sub-heads of the appropriation account.

89. In dealing with the sub-heads of the demands, the noticeable point is that the sub-heads by which the appropriation account of the Grant is to be prepared, are not so indicated in the demands presented to the Legislature. Perhaps it will be held desirable, *in this respect, to follow the British procedure* and exhibit in a distinct part of each demand all the sub-heads of the demand with the amount demanded under each. A specific suggestion to this effect has already been made in paragraph 33.

90. Although no statement of the sub-heads of the demand is at present given in any demand, in most of the demands there is a statement wherein are abstracted the totals of the Detailed Estimates for the several circles of account (India, Madras, Bombay, etc.). These have in a way taken the place of the statement of sub-heads inasmuch as the appropriation accounts of the Accountant General, Central Revenues, have so far been prepared in such a way as to present the consolidated appropriation account of each Grant as if these circles of account were the

sub heads of the Grant As stated in paragraphs 24 and 25, it is proposed now to change the structure of the appropriation accounts and to prepare hereafter a proper consolidated appropriation account with service heads as its sub heads and not by circles of account If this latter proposal is accepted, the statement in the Book of Demands will either have to be replaced by a statement abstracting the detailed estimates by such service heads as may be fixed as sub heads of each Demand, or, if the present statement by circles of account is considered necessary for other reasons, an *additional statement or abstract by sub heads will have to* be exhibited in addition

91 This change will probably affect the structure and composition of the Detailed Estimates, though, as stated in paragraph 88 above, there is no direct connection between the Detailed Estimates and the appropriation account, which means that the Detailed Estimates need not be radically changed so long as it is possible to extract therefrom the required abstract by sub heads

92 In paragraph 35, certain suggestions have been made as to the general principles to be prescribed for observance in the matter of classifying a Demand into sub heads The acceptance of those principles may affect here and there the detail shown on the Detailed Estimates in the few cases in which expenditure, which does not at present appear as a distinct item even in the Detailed Estimates, is required hereafter to be shown as a distinct sub head

93 In regard to grants in aid, certain suggestions have been made in paragraph 39 *et seq* , which if accepted, will necessitate the stating of the conditions attaching to grants in aid either in the Detailed Estimates or in the abstract by sub heads referred to above

B —Effect on the Finance and Revenue Accounts and General Government Accounts.

94 From the point of view of the Finance and Revenue Accounts, which are consolidated accounts of all Governments in India and must, therefore, be on a uniform basis, the essential units of all accounts, which have any relation with the Finance and Revenue Accounts, are mainly the major head and the minor head of the accounts classification The appropriation account is an account in which only a single Government is interested and if merely the administrative requirements of the Government were to be borne in mind, the ideal arrangement for dividing the appropriation accounts into sub heads might, in many cases, be somewhat different from that regulating the division of expenditure major heads into minor heads

95. The requirements of an appropriation account cannot, however, be judged from this sole point of view. The necessary correlation between the appropriation account and the Finance and Revenue Accounts has always to be maintained.

96. This being the case, care has had to be taken, in making all proposals connected with the division of Grants into subheads for the purposes of appropriation accounts, to remain within the limitations of the Finance and Revenue Accounts as required by the present statutory rules.

97. There is thus little or no effect on the Finance and Revenue Accounts as a direct consequence of the various changes proposed in Part II of this Report.

98. The case is slightly different in regard to the effect of the changes on the general Government accounts. So far as the latter accounts have to meet the requirements of the Finance and Revenue Accounts, the remarks in the foregoing paragraphs apply *mutatis mutandis*. It is only in regard to the detailed heads of the general accounts classification in respect to which there is no rigidity that the proposed changes made here and there have any effect. It is unnecessary, however, to consider this because under Article 179 of the Audit Code, all Accountants General already possess discretionary powers to vary the detailed heads of the general accounts classification in order to meet the local and special circumstances of each Government.

99. Thus, it will be seen that the changes proposed do not seriously affect the general accounts either.

C.—Effect on the dates of submission of the Audit and Appropriation Reports.

100. It is desirable to examine the effect of the changes proposed in this report on the dates of submission of Audit and Appropriation Reports.

101. All the changes proposed in this report affect directly the Audit and Appropriation Reports which are prepared by the Accountant General, Central Revenues. Some of the more important changes—*e.g.*, those connected with the reorganisation of the reports—will also affect the reports of provincial transactions prepared by other Accountants General.

102. Taking first the case of the reports prepared by the Accountant General, Central Revenues, the changes may be divided into 3 sections for the consideration of this question—

(1) the proposal to require the Accountant General to consolidate the appropriation accounts of each Grant,

rendered to him by the several provincial Accountants General, into a single all-India appropriation account by service heads instead of bodily including them in his volume of appropriation accounts and preparing the all India account by circles of account,

(2) other changes most of which involve elaboration of the details of appropriation account, and

(3) those affecting the Audit Report

103 The first of these will create a certain amount of additional work in the office of the Accountant General which cannot be taken up until the material to be consolidated into the all-India Appropriation Accounts is received in his office from the Provincial Accountants General and other officers concerned This point is discussed in greater detail in Annexure No 34 (Appendix 2)

104 Roughly, it is estimated at present that at least one extra month will have to be allowed to the Accountant General and the date of the submission of the Audit and Appropriation Accounts by him will have to be changed from 1st March to 1st April

105 Changes of the second class will affect all Accountants General preparing Audit and Appropriation Accounts The consequent delay, though expected to be appreciable, will not be considerable, as much of the work is of such a character that it can be done in advance of the due date of the submission of the accounts This work may, however, necessitate the employment of additional clerks in the Appropriation Sections of accounts offices

106 Changes of the third class involve very slight increase of work in offices other than that of the Accountant General, Central Revenues, the work in whose office in connection with the exhibition of statistics of audit objections will be somewhat increased The consequent delay in the submission of the Audit Report should not, however, be appreciable in any case

107 The delay of one month in the submission of the Audit and Appropriation Accounts of the Accountant General, Central Revenues, should not cause any inconvenience to the Government of India, or the Central Committee on Public Accounts, as it will not necessitate any change in the date by which the Audit and Appropriation Accounts are at present laid before the Committee

115 The following table, which has been based on estimates (necessarily very rough) prepared in consultation with Mr F. D Ascoli, the Controller of Printing, sets forth the probable cost of printing the audit and appropriation accounts of the Accountant General, Central Revenues, in 8 alternate ways —

—	If detailed appropriation accounts by circles of account are retained		If detailed appropriation accounts by circles of accounts are abolished and a single consolidated appropriation account is considered sufficient	
	If voted and non voted accounts are kept separate	If voted and non voted accounts are combined as proposed.	If voted and non voted accounts are kept separate	If voted and non voted accounts are combined as proposed
A For foolscap size as at present —				
1 Estimated number of pages	740	500	250	250
2 Estimated cost of printing (including paper) 175 copies	Rs 3 498	Rs 2,465	Rs 1,636	Rs 1,582
3 Estimated cost of printing (including paper) per copy	Rs 20	Rs 14	Rs 9 $\frac{6}{16}$	Rs. 9
B For Royal octavo size as proposed —				
1 Estimated number of pages	1070	7[illegible]0	500	[illegible]
2 Estimated cost of printing (including paper) 175 copies	Rs 3,315	Rs. 2,[illegible]27	Rs 1 [illegible]	Rs 1,[illegible]
3 Estimated cost of printing (including paper) per copy	Rs 19	Rs 13 [illegible]	Rs [illegible]	Rs [illegible]

116. It will be seen that each of the main recommendations affecting the form of exhibiting the appropriation accounts—*viz.* :—

(1) abolition of detailed appropriation accounts by circles of account and preparation of the all-India consolidated account on an improved basis,

(2) combination of voted and non-voted accounts, and

(3) reduction of the size of the accounts from foolscap to royal octavo size,

reduces substantially the cost of printing. The reductions are so appreciable that, if all the changes proposed can be accepted, the cost can be economised considerably, *i.e.*, reduced from Rs. 3,498 to Rs. 1,024—or from Rs. 20 per copy to Rs. 6.

117. The estimates set forth in the above table are framed on the assumption that the proposals which have the direct effect of reducing the number of columns of the appropriation account from 13 to 5 will also be accepted. So, if those proposals are not adopted, and the existing elaborate form has to be retained, then each of the 8 alternative estimates which the table exhibits will be considerably enhanced, as it is a notorious fact that the cost of printing complicated tabular statements is very considerable.

118. It remains now to compare the probable cost of printing future reports with the actual cost of the reports as printed at present. For this purpose, the following figures for 1922-23 are relevant, as the appropriation report of the North-West Frontier Province was not included in the appropriation report of the Accountant General, Central Revenues, until recently :—

	Cost
	Rs.
Accountant General, Central Revenues' Report (330 pages foolscap – 115 copies . .	2,600 actual.
Accountant General, Punjab's Report for the North West Frontier Province (52 pages foolscap 100 copies) . .	345 estimated.
Total .	2,945

119. It will be seen that, although the future "audit and appropriation accounts" will give more details, it will be possible

to keep down the cost of printing them considerably. In fact, if all the recommendations made in this report are accepted, some savings will result and these may even meet *almost wholly* the cost of the extra establishment referred to in paragraphs 3 and 4 above

120 In this connection, it is necessary to point out that after taking expert advice, certain detailed instructions have been embodied in Chapter IX of Part II of the draft manual for the preparation of audit and appropriation reports (Appendix 3), which, if observed by Accountants General, should result in avoiding wastage in printing charges

E —Effect on Rules and Regulations generally

121 So far as statutory rules are concerned, the proposals made in Part II of the Report do, in certain respects, contemplate the prescribing of procedure, supplementary to that indicated in the statutory rules, for the clearing up of points which might otherwise be held to be obscure As pointed out in each such case, if the proposal be accepted, the action taken would only amount to the establishment of a convention consistent with the relevant statutory rule and not to the amendment of such rule. So, no amendment or amplification of statutory rules is necessary at present, though, doubtless, when those rules come next under revision *en bloc*, the question of amendment or amplification will be taken up in due course

122 As to non-statutory regulations, suitable amendment of Articles 160 to 163 and Chapter 43 of the Audit Code will be necessary In fact, all that would be necessary at this stage is to delete the chapter altogether and to substitute for it provisionally the manual referred to in paragraph 5, after making suitable corrections in Articles 160 to 163 of the Audit Code and other connected Articles

123 Some of the decisions that may be arrived at in regard to the changes proposed in Part II may affect the rules in Chapter 11 of Volume I of the *Civil Account Code*, especially the rules relating to the preparation of Budget estimates

124 As to the Book of Financial Powers, two main points will require consideration—

(1) Whether or not the sub-heads of a Grant should be used as the primary units of appropriation instead of the [illegible]

primary units mentioned in the Book of Financial Powers, and

(2) incorporating the decision that may be taken on the proposal made in paragraph 45 regarding reappropriations from and to grant-in-aid sub-heads of a Grant.

PART IV

POINTS REQUIRING ORDERS OF GOVERNMENT

A.—Preliminary Points

125 As the consideration of the various suggestions made in this Report, especially those mentioned in Part II and Appendix 1, will necessarily take considerable time it is felt desirable to single out those important points the consideration of which may, with advantage, be taken up first of all in case the Government of India desire to adopt this procedure

126 The following is a list of such points For convenience of disposal, it has been divided into three distinct sections—

I (a) The proposals to reorganise the present Audit Report and Appropriation Report so as to make the former a report for the executive Government and the latter (duly enlarged) as the Audit and Appropriation Accounts (referred to in the Legislative Rules) for the executive Government as wel as the Committee on Public Accounts, the two reports together constituting the Audit and Appropriation Reports referred to in Rule 15 of the Auditor General s Rules (Please see paragraphs 15 to 23 of this Report)

(b) the proposals regarding the reconstitution of the Audit Report in particular (Please see paragraphs 73 to 80 of this Report)

II The proposal for abolishing the detailed appropriation accounts of central Grants by circles of account and of preparing the consolidated appropriation accounts of those Grants on the basis of service heads and not circles of account (Please see paragraph 24 (1) of this Report and Annexure 1 in Appendix 2)

III The proposals for remodelling the form of the appropriation accounts and simplifying it by reducing the number of its columns from 13 to 5 only (Please see paragraph 24 (2) to (4) and Annexures 2 to 4 in Appendix 3 Also Annexure 5)

127 If orders on these points can be passed at an early date, it is proposed to intimate the decisions to the Accountants General concerned so that they may proceed to give effect to them at the earliest opportunity For instance, if orders on point III

are of a general nature affecting all Accountants General can be passed early, it may be possible for those officers to give effect to them when preparing the appropriation accounts for 1924-25.

128. The consideration of the remaining points, as stated above, must necessarily take time. They may be divided broadly into two groups—

(1) The proposed lists of sub-heads for the various Grants, *vide* paragraph 4, and Appendix 1, and

(2) other proposals.

129. In regard to No. (1), *viz.*, the proposed lists of sub-heads, it may perhaps be mentioned that the question as to when any revised list of sub-heads can be put into effect is perhaps one which should be considered first and settled. The basis of the preparation of the Detailed Estimates of the sanctioned Demands for 1924-25 and 1925-26 is different from that which is proposed in respect of future appropriation accounts. The appropriation accounts of these two years cannot, therefore, be prepared on any new basis unless *pro forma* abstracts of Demands on the new basis are first prepared from the sanctioned Detailed Estimates. On the other hand, if it be decided that the first set of appropriation accounts on the new basis should be that for 1926-27, then the Detailed Estimates in respect of the Demands for 1926-27 should be cast on the new basis. No change can obviously be made when the work of preparation of Budget Estimates has actually commenced. It follows, therefore, that if the new basis is to be adopted in respect of the appropriation accounts of any year earlier than 1927-28, the order to do so should issue at a very early date. The appropriation accounts for 1927-28 will not be due for publication till the Spring of 1929, and, presumably, the Government of India would be anxious not to postpone giving effect to their decisions till such a late date.

130. Seeing, then, that it is an urgent matter to decide whether or not the new basis of dividing Grants into sub-heads shall be given effect to in appropriation accounts earlier than those for 1927-28, the further question also arises as to how early it is possible to give effect to the change. The choice will lie between 1924-25 and 1925-26, but in either case special arrangements of a temporary character will be necessary in the office of the Accountant General, Central Revenues, for (1) re-casting, on the new basis, the abstracts of the several Grants concerned, and (2) arranging, in consultation with the provincial Accountants General and other officers concerned, to obtain the first set of expenditure figures on the new basis. I suggest that no attempt be made to hasten the introduction of the changes.

B —OTHER POINTS.

131 This leaves for gradual settlement point (2) mentioned in paragraph 128 above, *viz*, all other proposals In regard to these, it would facilitate the action to be taken hereafter in account offices if the orders of Government could be notified piecemeal as each point is considered and settled, though ultimately it would perhaps be held desirable to issue a consolidated resolution

132 After the preliminary decisions referred to in paragraphs 126 to 130 above have been arrived at, it would be possible to authorise the issue of the draft manual referred to in paragraph 5 after making therein such amendments as the orders may necessitate As already stated in that paragraph, the manual has been drafted in such a wa as to make the adoption of the various changes permissive This being the case, no harm will be done by issuing the manual as an authorised publication in advance of the issue of complete orders on the points referred to in paragraph 131 above by the Government of India in respect of central transactions Still, as a matter of precaution, it is proposed, in the first instance to issue the manual only provisionally

133 This enquiry, as has been stated previously, does not touch directly any of the undermentioned accounts —

Provincial accounts

Railway accounts

Posts and Telegraph accounts

Military accounts

The points mentioned in paragraphs 126 to 130 above, on which it is considered preliminary orders can issue with advantage, however, affect these accounts also As regards other matters, the Government of India would no doubt like the Provincial Governments to know what action they themselves have taken in regard to central civil accounts This can perhaps be done only when action on this Report is completely taken In the meantime, the proposed provisional publication of the manual *of instructions for the preparation of audit* and appropriation reports (copies of which will be sent by the Auditor General to Provincial Governments with a suitable communication) may possibly move the Provincial Governments to take some action of their own accord As to the accounts of Railways, Posts and Telegraphs, and the Army, no doubt the Government of India will consider what action on their own part is necessary

134. Lastly, it seems desirable that commencing with 1921-22, the first year of the Reformed Constitution, an authoritative record be maintained systematically of such permanent rulings and decisions as evolve out of the proceedings and reports of the Committee on Public Accounts and out of the resolutions and other orders of the Government issued in connection therewith. In India this task would perhaps devolve upon the Finance Department concerned, though it appears that the British publication (Epitomé) which corresponds to such a record was compiled by the Exchequer and Audit Department. If the commencement of this work is postponed, it would have to be done afresh from 1921-22 some day. The wiser and easier course would perhaps be to take it up at once and to arrange for its upkeep on a standing basis.

M. F. GAUNTLETT,

Auditor General in India.

CAMP SIMLA;

The 22nd May 1925.

APPENDIX 1.

TABLE OF CONTENTS.

A

Introductory note explaining the contents of this appendix and drawing attention to some points of importance

This appendix contains 76 lists of the proposed sub heads of those Central Civil Grants to which the Report of Enquiry primarily relates as stated in paragraph 2 of the Report

2 For facility of reference, brief particulars of these 76 lists are given in the table marked B, in the order in which the lists appear in the appendix 74 of the lists deal with one Grant each—72 with the 72 Indian Grants (some of which also include expenditure in England) and 2 with the two English Grants, *viz*, the Grant for the expenditure under the control of the Secretary of State for India, and the Grant for the expenditure under the control of the High Commissioner for India One list deals with those petty Grants which are not required every year and may, therefore, be known as occasional grants The last list of all does not relate to any one Grant, it merely presents in a single statement (for purposes of reference) the sub heads proposed in the 72 Indian Grants in respect of that expenditure in England which is brought to account against those Grants

3 These lists are referred to in the following paragraphs of the Report and Appendices —

Part I, para 4,
Part II, paras 28, 52, 61, 63,
Part III, para 5,
Part IV, paras 128 to 130, and
Appendix 2, annexure 8 (para 11)

It will be seen that in respect of each Grant certain proposals—both as to its subdivision into "sub heads" for purposes of appropriation accounts and as to the special notes and subsidiary accounts, statements, etc, to be appended to the appropriation account of the Grant—have been made on these lists In all cases, the suggestions are subject to the proviso that they should be amended, where necessary, in the light of the orders which may ultimately be passed on the various relevant points raised in the Report, *especially in the light of such general* principles as may be prescribed, on a consideration of the suggestions made in paragraph 35 of the Report for determining the sub heads of Grants In the case of most of the Area Grants for instance, detailed proposals have not been made in respect of store accounts, trading accounts, and other special notes, etc., to be appended to the appropriation accounts

4 *Special attention may be invited to the last explanatory* note on each of the two lists for the two English Grants (Nos. 81 and 82) Presumably it will be held desirable not to adopt these lists finally without consulting the authorities of the India Office and of the office of the High Commissioner for India

5 As explained in paragraphs 129 and 130 of the Report, it will probably be held desirable to treat, as a matter requiring early orders, *the* question as to when any revised classification of Grants into sub-heads for purposes of appropriation accounts would be put into force Upon the decision on this point will depend the further action to be taken, *e g*, the final examination of all the lists as soon as the orders on paragraph 35 of the Report are known, and the actual work to be done in introducing the new classification

B

Table of Central Civil Grants to which the Report of Enquiry primarily relates.

No. of List.	No. of Grant.	Service, Administration or Area to which demand relates.	Head of Account. Major Heads.	Head of Account. Minor Heads.
1	16	Customs	1.—Customs.	
2	17	Taxes on Income	2. Taxes on Income.	
3	18	Salt	3—Salt.	
4	19	Opium	4.—Opium.	
5	20	Stamps	7.—Stamps.	
6	21	Forest	8.—Forest.	
7	22	Irrigation, Navigation, Embankment and Drainage Works.	All Irrigation Major heads.	
8	25	Interest on Ordinary Debt, and reduction or avoidance of debt	19.—Interest on Ordinary Debt.	
9	26	Interest on miscellaneous obligations.	20.—Interest on other Obligations.	
10	27	Staff, Household and Allowances of the Governor General.	22.—General Administration.	Staff and household of Governor-General.
11	28	Executive Council	Do.	Executive Council.
12	29	Legislative Bodies	Do.	(i) Council of State, and (ii) Indian Legislative Assembly.
13	30	Foreign and Political Department.	Do.	Civil Secretariats (in part).
14	31	Home Department	Do.	Do.
15	32	Legislative Department.	22.—General Administration.	Civil Secretariats (in part).
16	33	Department of Education, Health and Lands.	Ditto	Ditto.
17	34	Finance Department.	Ditto	Ditto.
18	35	Commerce Department.	Ditto	Ditto.
19	36	Army Department	Ditto	Ditto.
20	37	Department of Industries and Labour.	Ditto	Ditto.
21	38	Central Board of Revenue.	Ditto	Ditto.
22	39	Payments to Provincial Governments on account of Administration of Agency Subjects.	Ditto	Ditto.
23	40	Audit	23.— Audit.	
24	41	Administration of Justice.	24.—Administration of Justice.	
25	42	Police	26.—Police.	

Table of Central Civil Grants to which the Report of Enquiry primarily relates—contd

No of List	No of Grant	Service Administration or Area to which demand relates	Head of Account	
			Major Heads	Minor Heads
26	43	Ports and Pilotage	27 —Ports and Pilotage	
27	44	Survey of India	30 —Scientific Departments	Survey of India
28	45	Meteorology	Ditto	Meteorological Department
29	46	Geological Survey	Ditto	Geological Survey
30	47	Botanical Survey	Ditto	Botanical Survey
31	48	Zoological Survey	Ditto	Zoological Survey
32	49	Archæology	Ditto	Archæological Department
33	50	Mines	Ditto	Mines Department
34	51	Other Scientific Departments	Ditto	Other Minor heads
35	52	Education	31 —Education	
36	53	Medical Services	32 —Medical	
37	54	Public Health	33 Public Health	
38	55	Agriculture	34 —Agriculture	Agriculture
39	56	Civil Veterinary Services	Ditto	Veterinary Charges
40	57	Industries	35 —Industries	
41	58	Aviation	36 —Aviation	
42	59	Commercial Intelligence and Statistics	37 Miscellaneous Departments	Bureau of Commercial Intelligence including Statistics
43	60	Census	Ditto	Census
44	61	Emigration—Internal	Ditto	Emigration (in part)
45	62	Emigration—External	Ditto	Ditto
46	63	Joint Stock Companies	Ditto	Registrar of Joint Stock Companies
47	64	Miscellaneous De	Ditto	Other Minor heads
48	65			
49	66			
50	67			
51	68	ances and Pensions	Allowances and Pensions	
52	69	Stationery and Printing	46 —Stationery and Printing	
53	70	Miscellaneous	47 —Miscellaneous	

Table of Central Civil Grants to which the Report of Enquiry primarily relates—contd.

No of List.	No. of Grant.	Service, Administration or Area to which demand relates.	Head of Account.	
			Major Heads.	Minor Heads.
54	71	Adjustments with Provincial Governments.	51A.—Miscellaneous Adjustments between the Central and Provincial Governments.	
55	72	Refunds . . .	Various.	
56	73	North-West Frontier Province.	Do.	
57	74	Baluchistan .	Various.	
58	75	Delhi . . .	Do.	
59	76	Ajmer and Merwara .	Do.	
60	77	Andaman and Nicobar Islands.	8.—Forest. 25.—Jails and Convict Settlements.	
61	78	Rajputana . .	Various.	
62	79	Central India . .	Do.	
63	80	Hyderabad . .	Do.	
64	81	Expenditure in England— Secretary of State for India.	Do.	
65	82	Expenditure in England— High Commissioner for India.	Do.	
66	83	Irrigation .	55.—Construction of Irrigation, etc. (Capital).	
67	86	New Capital at Delhi	67.—Initial Expenditure on New Capital at Delhi.	
68	87	Interest Free Advance	Debt heads—Advances Repayable, and Coinage Accounts (in part).	
69	88	Loans and Advances Bearing Interest.	Loans and Advances Bearing Interest.	
70	Non-voted	Ecclesiastical . .	28.—Ecclesiastical.	
71	„	Political . . .	29.—Political.	
72	„	Territorial and Political Pensions.	44.—Territorial and Political Pensions.	
73	„	Bangalore .	Various.	
74	„	Western India States Agency.	26.—Police. 29.—Political. 33.—Public Health.	

Table of Central Civil Grants to which the Report of Enquiry primarily relates—concld

No of List.	No of Grant	Service, Administration or Area to which demand relates.	Head of Account.	
			Major Heads	Minor Heads
75	Miscellaneous	Occasional Grants	5 —Land Revenue 6 —Excise 7 — Registration. 25 — Jails and Convict Settlements 43 — Famine Relief	
76	All Grants of this table other than Nos 81 and 82	English expenditure included in the Indian Grants enumerated in this Table	Various	Various

C

76 lists of proposed sub heads of Central Civil Grants enumerated in the table marked B

LIST No 1

Grant No 16 —Customs

A.—Sea Customs charges at the Ports —

A 1 —Pay of Officers,
A 2 —Pay of Establishments,
A 3 —Overtime and Holiday Allowances,
A 4 —Other Allowances, Honoraria, etc.,
A. 5 —Purchase and Repairs to Boats,
A 6 —Stores and Equipments of Boats,
A 7 —Dockyard Supplies,
A 8 —Other Supplies and Services,
A 9 —Contingencies,
A. 10 —Establishment charges payable to [illegible] Departments, etc
A 11 —Grants in Aid, contributions, and [illegible];
A. 12 —*Deduct* Contributions, etc.

B —Compensations,

C —Land Customs charges,

D —Miscellaneous,

E —English charges (High Com[illegible] and

F —Loss or Gain by Exchange.

LIST No. 2.

GRANT No. 17.—TAXES ON INCOME.

A.—Collection of Income Tax:—

A. 1.—Pay of Officers;

A. 2.—Pay of Establishments;

A. 3.—Allowances, Honoraria, etc.;

A. 4.—Supplies and Services;

A. 5.—Contingencies;

A. 6.—Establishment charges paid to other Governments, etc.:—

(A separate subdivision for each Government); and

B.—Collection of Super Tax.

LIST No. 3.

GRANT No. 18.—SALT.

I.—Northern India Salt Revenue Department.

A.—Revenue Expenditure—Working Expenses:—

A. 1.—Pay of Officers;

A. 2.—Pay of Establishments;

A. 3.—Allowances, Honoraria, etc.;

A. 4.—Works—Petty Construction and Repairs;

A. 5.—Supplies and Services;

A. 6.—Contingencies;

B.—Revenue Expenditure—Salt Compensations;

C.—Capital Expenditure charged to Revenue:—

C. 1.—Cost of bags;

C. 2.—Plant and Machinery;

C. 3.—Purchase of Stores;

C. 4.—Works:—

C. 4 (1).—Buildings;

C. 4 (2).—Roads;

D.—English charges (High Commissioner) on Stores;

E.—Loss or Gain by Exchange.

II.—Provinces.

F.—Direction:—

F. 1.—Pay of Officers;

F. 2.—Pay of Establishments;

F. 3.—Allowances, Honoraria, etc.;

F. 4.—Works:—

F. 4 (1).—Buildings;

F. 4 (2).—Roads;

F. 4 (3).—Petty Construction and Repairs;

F 5—Supplies and Services,

F 6—Contingencies,

F 7—Establishment charges paid to other Governments, Departments, etc ,

G—Salt Purchase and Freight,

H—Salt Compensations,

I.—English charges (High Commissioner) on stores, and

J—Loss or Gain by Exchange

NOTES—1 Sub heads C 4 and F 4 to be supported by further details such as may be prescribed in respect of Works expenditure generally Works costing less than Rs 50 000 need not be detailed severally

2 The proposed classification of this grant is under reconsideration in view of the changes in accounts recently made owing to the introduction of a commercial system of accounts in the Northern India Salt Revenue Department.

3 It is suggested that the appropriation account should be supported by the following subsidiary accounts —

(a) For the Northern India Salt Revenue Department—a trading account, a profit and loss account, a balance sheet, and a store account and

(b) For the other Salt sources—a store account

The forms appended as annexures A to E are recommended for adoption provisionally until experience suggests any alteration therein

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ANNEXURE A.

NORTHERN INDIA SALT REVENUE DEPARTMENT (MANUFACTURING BRANCH)

Trading Account for 19 19

Dr.	Rs		*Cr.* Rs
1. To Opening balance of Salt on 1st April		1 By Sales of Salt	
2 To Manufacturing charges (direct)		2 By Closing balance of Salt on 31st March.	
3 To Share of weighment charges debitable to Manufacture (direct)			
4 To Gross profit for the year			
Total		Total	

ANNEXURE B.

Northern India Salt Revenue Department (Manufacturing Branch).

Profit and Loss Account for 19 -19 .

Dr.	Rs.	*Cr.*	Rs.
To Share of Commissioner's Headquarters Office.		By Gross Profit as per Trading Account.	
To Royalties and Compensation debitable to Manufacture.		By Miscellaneous Revenue Receipts.	
To Share of Medical charges .			
To Net expenditure on stores and workshop establishment.			
To Pensionary charges .			
To Leave salary paid in England.			
To Interest on Capital outlay .			
To Depreciation . . .			
To Cost of Accounts and Audit Establishment.			
To Cost of Stationery and Printing.			
To Other Items . . .			
Net Profit for the year . .			
Total .		Total .	

ANNEXURE C.

Northern India Salt Revenue Department (Manufacturing Branch).

Balance Sheet for 19 -19 .

Liabilities.	Rs.	Assets.	Rs.
1. Capital Account . .		1. Land	
2. Sundry Creditors . .		2. Buildings . . .	
3. Net Profit from Profit and Loss Account .		3. Railway and Tramway Lines	
		4. Other Works .	
		5. Plant and Machinery .	
		6. Furniture and Fittings .	
		7. Roads and Bridges .	
		8. Stocks of Salt .	
		9. General Stores . .	
		10. Bags	
		11. Sundry Debtors . .	
		12. Cash in hand . .	
Total .		Total .	

ANNEXURE D

Northern India Salt Revenue Department

Store Account for 19 19

—	Salt Store	Bags	General Stores.
	Quantity	Quantity	Amount
	Mds	No	Rs
Opening balance . Receipts from all sources (Manufacture, excavation, purchase, etc) .			
Total			
Issues of all kinds . Wastage etc , written off by competent authority . .			
Total . .			
Closing balance .			
	Rate Value	Rate Value	

ANNEXURE E

Other Salt Sources

Store Account for 19 19

—	Madras	Bombay	Burma.
	Quantity	Quantity	Quantity
	Mds	Mds.	Mds.
Salt in Store on 1st April 19 . Manufactured, excavated, or purchased during the year . .			
Total			
Removed by Purchasers during the year. Wastage, etc , written off . . .			
Total .			
Balance in Store on 31st March 19 .			
Rate . Value .			

LIST No. 4.

GRANT No. 19.—OPIUM.

A.—Purchase of Malwa Opium;

B.—Payments for special cultivation in Malwa;

C.—Payments to cultivators in the United Provinces:—

C. 1.—Payments for cultivation of opium;
C. 2.—Payments for leaves and trash;
C. 3.—Commission to Lambardars;
C. 4.—Barbardari payments;

D.—Ghazipur Opium Factory:—

D. 1.—Pay of Officers;
D. 2.—Pay of Establishments;
D. 3.—Allowances, Honoraria, etc.;
D. 4.—Supplies and Services;
D. 5.—Contingencies;
D. 6.—Contribution to Municipal Board, Ghazipur, for upkeep of roads;

E.—Superintendence, and other establishments, in the United Provinces:—

E. 1.—Pay of Officers;
E. 2.—Pay of Establishments;
E. 3.—Allowances, Honoraria, etc.;
E. 4.—Supplies and Services;
E. 5.—Contingencies;
E. 6.—Works (when necessary);

F.—Charges in other provinces:—

F. 1.—Opium Miscellaneous charges in Calcutta;
F. 2.—Other Opium Agencies and Establishments;
F. 3.—Compensations;

G.—English charges (High Commissioner) on Stores;

H.—Loss or Gain by Exchange.

NOTES.—1. A special enquiry is proceeding at present in connection with the introduction of the commercial system of accounting in the Opium Department including the Ghazipur Opium Factory. When this enquiry is completed, it will probably be feasible to append to the appropriation account for this Grant:—

(1) a store account in respect of the opium received from all sources, its disposal by sale or otherwise, and the balance held in store; and

(2) suitable Capital and Revenue accounts and Balance Sheet to exhibit the operations of the Ghazipur Opium Factory.

2. In the meantime, it is suggested that a store account be appended to the appropriation account in the form of Account No. 17-A. of the Finance and Revenue Accounts a copy of which is attached.

3. Sub-heads B and C relating to payment made to cultivators include payments which are practically of the nature of advances made for cultivation purposes which have to be covered ultimately by the value of opium, etc., realised from the cultivators. The amount shown in the appropriation account as paid during the year does not necessarily represent the value of the opium received in store during that year. It seems desirable, therefore, in respect of these payments to append to the appropriation account a balanced statement showing the amounts paid, the value of opium realised, the recoveries made from cultivators and the balance due to Government, and explaining how the balance has been adjusted or will be adjusted. It will be possible for the Accountant General, United Provinces, to compile such a statement in the attached form from the accounts which he maintains at present for the purpose of watching recoveries. A statement in this form, if approved, should be prepared separately for:—

(1) payments for special cultivation in Malwa, sub-head B;

(2) payments for cultivation of opium (United Provinces), sub-head C. 1; and

(3) payments for leaves and trash (U. P.) sub-head C. 2.

No 17 A —Account of Bengal Opium Store for the year ended 31st March 1924

—	For Export		For Sale in India	
	Chests	Maunds	Chests	Maunds
	Rs	Rs	Rs	Rs
Opium in store in Calcutta on 1st April 1923.	7,723	13,153	695	1,035
In store at Factories on above date			27	41
Produce of season 1922 23 . .	8,040	13,693	6,557	9,833
Total .	15,763	26 846	7,279	10,909
Sold at auction from 1st April 1923 to 31st March 1924.	2,950	5,024	..	...
Sold direct to the Governments	5,349	9,110		...
Issued in exchange for 25 chests of Patna opium	25	43	...	.
Issued to Excise Department from 1st April 1923 to 31st March 1924.			5,920	8,879
Issued to Medical Department from 1st April to 31st March 1924	...		8	11
Total Expended .	8,324	14,177	5,928	8,890
Balance in store in Calcutta on 31st March 1924.	7,439	12,669	819	1,221
Balance in Factories on 31st March 1924.	.	.	532	798
Balance in store on 31st March 1924.	7,439	12,669	1,351	2,019

Account of payments to Cultivators.

	Rs.
1st April 1925. Outstanding advances to cultivators .	
During 1925-26. Total payments to cultivators (cash advances as well as cash settlements).	
Total Payments .	
During 1925-26. Value of opium supplied by cultivators :—	Rs.
Produce of season 1924-25 . .	
Produce of season 1925-26 . .	
Value of cash recoveries . . .	
Total Recoveries .	
31st March 1926. Outstanding advances to cultivators . .	

LIST No. 5.

GRANT No. 20.—STAMPS (INCLUDING EXPENDITURE IN ENGLAND).

A.—Administrative charges of Central Stamp Office, Calcutta:—
- A. 1.—Pay and Allowances of Establishment;
- A. 2.—Supplies and Services;
- A. 3.—Contingencies;
- A. 4.—*Deduct* Amount recovered from Posts and Telegraphs;

B.—Cost of non-postal stamps and Paper purchased in India:—
- B. 1.—Non-judicial.—Paid to provincial Governments for stamps supplied to minor provinces from provincial depots;
- B. 2.—Judicial:—
  - B. 2 (1).—Paper;
  - B. 2 (2).—Stamps.—Paid to the Government of Bombay for stamps supplied to minor provinces by the provincial depot at Karachi;

C.—Cost of Stamps manufactured in India, received from the Security Printing Press, *vide* H. 3 (1) below:—
- C. 1.—Non-Judicial;
- C. 2.—Judicial;

D.—Cost of Stamps purchased in England:—
- D. 1.—Non-Judicial:—
  - D. 1 (1).—English charges (High Commissioner);
  - D. 1 (2).—Loss or Gain by Exchange;
- D. 2.—Judicial:—
  - D. 2 (1).—English charges (High Commissioner);
  - D. 2 (2).—Loss or Gain by Exchange;

E.—Charges for the sale of stamps (in minor provinces):—
- E. 1.—Non-Judicial;
- E. 2.—Judicial;

F—Discount on Plain Paper (in minor provinces),

G—*Deduct* Value of stamps recovered—
- G 1—From Posts and Telegraphs,
- G 2—From Provincial Governments,

H—Security Printing Press charges—
- H 1—Capital expenditure—
  - H 1 (1)—Works,
  - H 1 (2)—Machinery—
    - H 1 (2) (1)—English charges (High Commissioner),
    - H 1 (2) (2)—Indian charges,
    - H 1 (2) (3)—Loss or Gain by Exchange,
  - H 1 (3)—Miscellaneous,
- H 2—Working Expenses—
  - H 2 (1)—Pay of Officers,
  - H 2 (2)—Pay of Establishments,
  - H 2 (3)—Allowances,
  - H 2 (4)—Contingencies,
  - H 2 (5)—Supplies and Services,
  - H 2 (6)—Stores,
  - H 2 (7)—Provision for Depreciation—for payment into Depreciation Fund,
  - H 2 (8)—Renewals and Replacement from Depreciation Fund,
  - H 2 (9)—*Deduct* Amount transferred from Depreciation Fund,
- H 3—*Deduct* Recoveries on account of value of outturn—
  - H 3 (1)—From Central Stamp Office, Calcutta, *vide* C above,
  - H 3 (2)—From Posts and Telegraphs,
  - H 3 (3)—From Currency Department,
  - H 3 (4)—From Provincial Governments (To be detailed further),
  - H 3 (5)—Etc—And so on

NOTES—1 It is a question for consideration if the division into Judicial and non Judicial is desirable. If there be no objection to amalgamation the list of sub-heads could be made simpler This is a purely administrative matter

2. If the purchase of stamps in England ceases altogether sub-head D will also cease to exist

3 Sub-head E seems to require special consideration In the Budget Estimates for 1925-26 the charges under this head relating to Hyderabad Ajmer Andamans and Nicobar Islands Central India Agency and Baluchistan only have been shown, those relating to the North West Frontier Province, the Delhi Province and Rajputana having been provided for in the respective area grants with the result that the total provision included in the general Stamps Grant is a small sum of Rs 16,200 only Uniformity of procedure is essential If the expenditure (which represents mostly the commission and discount charges paid for sale of stamps, etc and petty establishment and contingent charges in the minor provinces) is under the control of the Controller of Stamps then obviously it should be provided for wholly in the Stamp Grant. Otherwise there would appear to be no serious objection to the charges in each area being provided for in the respective area demand.

4. Sub head A includes no charge on account of pay of officers. It appears that the charges on this account are debited to the Stationery and Printing Grant. It is a question if this is correct. If the share attributable to Stamps is not substantial division is not necessary

5. The sub-heads proposed under G—Security Printing Press charges' are entirely provisional as full information relating to the scheme of working is not yet available. They will need revision in due course In this connection it may be remarked that in

the Budget Estimates for 1925-26, provision is made as shown below and no further details are given in support :—

	Rs.
Construction of Security Printing Press building ...	15,00,000
Cost of ordinary unified and service stamps to be manufactured in the Security Printing Press in India	2,00,000
Capital expenditure charged to revenue in connection with the Security Printing in India	13,13,000

Apparently it is implied that the Press will be at work during 1925-26 (though this appears doubtful), yet no provision exists for the working expenses of the year unless they are included in the item of Rs. 13,13,000 for capital expenditure charged to revenue.

6. In respect of the Stamps and Paper stocked in the Central Depot at Calcutta, it is suggested that to the appropriation account for this Grant should be appended a store account in a suitable form. A sample form is attached. It is proposed therein to show the value under 3 headings only, *i.e.*, (1) Postal Stamps, (2) Non-Postal Stamps, and (3) Plain Paper. As to Postal Stamps, if it is decided that the store account should be appended to the appropriation account of the Post and Telegraph Grant prepared by the Accountant General, Posts and Telegraphs, then the special column for these stamps in the general store account of the Central Depot will be unnecessary. As to Non-Postal Stamps, it is a question for decision if they should be divided into Judicial and Non-Judicial.

7. In connection with the store account proposed above, it is suggested that this account should show the cost price and not the face value of the stamps, but in respect of stamps written off (say due to theft, damage, etc.), the face value should also be given in a foot-note to the account.

8. All writes-off should be commented upon in the notes to the appropriation account in the same way as other losses.

9. As the values of stamps issued may sometimes be recovered in a year following that in which the stamps were issued, it is proposed to append to the store account referred to in Note 6 above a subsidiary account (Form attached) showing the progress made in the realisation of values. This is with special reference to the discussions on the subject at the 12th meeting, held on the 6th September 1924, of the Central Committee on Public Accounts, *vide* answers to question 792 at page 123 of Volume II of the Committee's Report on the Accounts of 1922-23.

10. In respect of the stocks of stamp and paper held in the local and branch depots (Treasuries and Sub-Treasuries) of minor provinces, no store account need be prepared. In view of the fact that the value of these stamps is small, the Controller of Stamps doubts whether the question is worth taking up and I agree with him.

11. For the Security Printing Press there should of course be the usual Trading and Profit and Loss Accounts, Capital Account, and Balance Sheet and also a Store Account. The exact forms of these cannot, however, be suggested at this stage.

12. As the proposed classification of this Grant is slightly different from the prescribed division of the expenditure major head "7.—Stamps" into minor heads, and the latter division is also different from that adopted in the Finance and Revenue Accounts (Account No. 20-A.), the question of amending the general accounts classification will require consideration separately. This will be taken up when the list of sub-heads is being determined finally on receipt of the orders of Government on the Report.

Store Account for 19 -19 showing the cost price of Stamps in the Central Depot at Calcutta.

——	Postal Stamp.	Non-Postal Stamps.	Plain Paper.
	Rs.	Rs.	Rs.
Opening Balance			
Receipts during year			
Total .			
Issues during year (See subsidiary statement below) .			
* Written off			
Total .			
Closing Balance			
(*Face value Rs.)			

Subsidiary Account of issues of Non Postal Stamps and Plain Paper

——	Non Postal Stamps	Plain Paper
	Rs	*Rs*
Unrealised value of issues at close of previous year		
Issues for Depot during year		
Total		
Recoveries of cost effected during year		
Unrealised value of issue at close of year		

LIST No 6

GRANT No 21—FOREST

A.—General Direction (Headquarters Office) —

- A. 1—Pay of Officers,
- A. 2—Pay of Establishments,
- A 3—Allowances, Honoraria, etc ,
- A. 4—Contingencies,

B—Forest Research Institute—Establishment —

- B 1—Pay of Officers,
- B 2—Pay of Establishments,
- B 3—Allowances, Honoraria, etc ,
- B 4—Supplies and Services, and Contingencies,

C.—Forest Research Institute—Other Charges —

- C 1—Purchase of Stores and Tools and Plant,
- C 2—Communications and Buildings—New Works,
- C 3—Communications and Buildings—Repairs and Maintenance,
- C 4—Miscellaneous,
    - C 4 (1)—Temporary Establishment on daily labour,
    - C 4 (2)—Purchase of timber for seasoning and preserving (including freight and carting charges),
    - C 4 (3)—Purchase of coal, raw materials, chemicals, and apparatus,
    - C 4 (4)—Other charges,

D—Charges in England (High Commissioner) on stores, and

E—Loss or Gain by Exchange.

NOTES.—1 As the expenditure on the Forest Research Institute will be revealed in detail in the body of the Appropriation Account itself a separate *pro forma* account is not considered necessary

2. C. 2 (New Works) to be supported by such details as may be prescribed in respect of expenditure on New Works generally

LIST No. 7.

GRANT No. 22.—IRRIGATION, NAVIGATION, EMBANKMENT AND DRAINAGE WORKS—INCLUDING EXPENDITURE IN ENGLAND.

Charged to Revenue.

A.—Share of Capital charges on Irrigation Works. (Cost of Works as well as General charges) financed from ordinary revenues (*vide* L below)—Major head " 16 ".

B.—Cost of Works charged to Revenue:—

B. 1.—Working Expenses of Productive Irrigation Works for which Capital Accounts are kept.—Major head " XIII—*Deduct* Working Expenses ":—

B. 1 (1).—Upper Swat Canal:—

B. 1 (1) (1).—Extensions and Improvements;

B. 1 (1) (2).—Maintenance and Repairs;

B. 1 (1) (3).—*Deduct* Recoveries on Revenue Account;

B. 1 (2).—Other Works:—

B. 1 (2) (1).—Extensions and Improvements;

B. 1 (2) (2).—Maintenance and Repairs;

B. 1 (2) (3).—*Deduct* Recoveries on Revenue Account;

B. 2.—Working Expenses of Unproductive Irrigation Works for which Capital Accounts are kept—Major head " XIII.—*Deduct* Working Expenses ":—

B. 2 (1).—Extensions and Improvements;

B. 2 (2).—Maintenance and Repairs;

B. 2 (3).—*Deduct* Recoveries on Revenue Account.

B. 3.—Miscellaneous Expenditure—Irrigation Works—Major head " 15 ":—

B. 3 (1).—Works;

B. 3 (2).—Extensions and Improvements;

B. 3 (3).—Maintenance and Repairs;

B. 3 (4).—Grants-in-Aid (when necessary).

B. 4.—Miscellaneous Expenditure—Navigation, Embankment and Drainage Works—Major head " 15 ":—

B. 4 (1).—Works;

B. 4 (2).—Extensions and Improvements;

B. 4 (3).—Maintenance and Repairs;

B. 4 (4).—Grants-in-Aid (when necessary).

C.—Establishment charged to Revenue:—

C. 1—Direction:—

C. 1 (1).—Pay of Officers;

C. 1 (2).—Other Charges;

C 2—Executive —

C 2 (1)—Pay of Officers,

C 2 (2)—Other Charges,

C 2 (3)—*Deduct* Recoveries,

C 3—Other Establishments (including establishment charges incurred in England) —

C 3 (1)—Pay of Officers in India,

C 3 (2)—Other Indian Charges, including amounts paid to other Governments, etc,

C 3 (3)—English Charges,

C 4—*Deduct* Establishment charges recovered from other Governments, Departments, etc,

C 5—*Deduct* Establishment not charged to Revenue, *vide* K 1 below (when necessary),

—Tools and Plant charged to Revenue —

D 1—New Supplies,

D 2—Repairs and Carriage, and other charges,

D 3—*Deduct* Tools and Plant not charged to Revenue, *vide* K 2 below (when necessary),

—Suspense charged to Revenue —

E 1—Stock,

E 2—Other Suspense Accounts,

E 3—*Deduct* Suspense not charged to Revenue, *vide* K 3 below (when necessary),

—*Deduct* English cost of Stores and Establishment (converted at prevailing rates of exchange, and included in B, C, D and E above),

NOTE—If any transactions under this sub head relate to a project not finally charged Revenue then this sub-head should be divided thus—

F 1.—All Services

F 2.—*Deduct* Services not charged to Revenue *vide* K 4 below

—English Charges (High Commissioner) charged to Revenue (at par value £=Rs 19) —

G 1—Stores,

G 2—Establishment,

G 3—*Deduct* Expenditure not charged to Revenue, *vide* K 5 below (when necessary),

I—Loss or Gain by Exchange charged to Revenue,

NOTE.—If any transactions under this sub-head relate to a project not finally charged Revenue then this sub-head should be divided thus—

H. 1.—All Services

H. 2.—*Deduct* Services not charged to Revenue *vide* K 5 below

I.—Reserve for Revenue expenditure;

Not charged to Revenue.

J.—Capital Account of Irrigation works not charged to Revenue—Capital cost of Works only—Major head "5":—

J. 1.—Productive Works—Swat River Canal:—

J. 1 (1).—Works;

J. 1 (2).—*Deduct* Receipts and Recoveries on Capital Account;

J. 2.—Other Productive Works:—

J. 2 (1).—Works;

J. 2 (2).—*Deduct* Receipts and Recoveries on Capital Account;

J. 3.—Unproductive Works—Baluchistan:—

J. 3 (1).—Works;

J. 3 (2).—*Deduct* Receipts and Recoveries on Capital Account;

J. 4.—Unproductive Works—Elsewhere:—

J. 4 (1).—Works;

J. 4 (2).—*Deduct* Receipts and Recoveries on Capital Account;

K.—Capital Account of Irrigation Works not charged to Revenue—General Capital charges—Major head "55":—

K. 1.—Establishment, *vide* C. 5 above;

K. 2.—Tools and Plant, *vide* D. 3 above;

K. 3.—Suspense, *vide* E. 3 above;

K. 4.—*Deduct* English cost of Stores and Establishment (converted at prevailing rates of exchange), *vide* F. 2 above;

K. 5.—Expenditure in England (at par value £1 = Rs. 10) by the High Commissioner, *vide* G. 3 above;

K. 6.—Loss or Gain by Exchange, *vide* H. 2 above;

K. 7.—Reserve (if it is considered advisable to have a separate reserve, in addition to the reserve for revenue expenditure, *vide* 1 above);

L.—*Deduct* Share of Capital charges (J and K above) financed from ordinary revenue, *vide* A above.

NOTES.—1. The proposed changes in the sub-heads of the Appropriation Accounts will necessitate corresponding changes in the form and detail of the Estimates, as presented to the Legislative Assembly and as printed in the Book of Demands. So will also the proposal to amalgamate this Grant with Grant No. 83 "Irrigation Works—not charged to Revenue", which this list contemplates; but if this particular proposal is not acceptable, and it is held that a separate demand for expenditure not charged to Revenue is essential, it is suggested that the separate demand be a lump sum demand with no details and that the demand for expenditure charged to Revenue be treated as the main demand giving the full details of expenditure.

2. Sub-heads A., B. 1 and B. 2 mention "Irrigation Works" only. If there be any similar works of the "navigation, embankment and drainage" class, then additional sub-heads will be necessary for those works.

3. The expenditure brought to account against sub-heads B. to E. would be inclusive of the English cost of Stores converted at prevailing rates of exchange in accordance with the rules in the Public Works Account Code, and that against sub-head F. would include the English cost, similarly converted, of stores and establishment.

It is proposed that to the appropriation accounts for all new works should be .nded detailed information in respect of the expenditure, etc, on (a) each major work nated to cost more than Rs 1 00 000 which was specifically provided for in the Estimates, each major work estimated to cost not more than Rs 1 00 000 which was specifically ided for in the Estimates, if the actual progressive expenditure on it has exceeded 1 00 000 and (c) each unforeseen major work i e a major work which was not speci ly provided for as a major work in the Estimates—either because no expenditure was cipated or because the expenditure was expected not to exceed Rs 10 000 This inform n should be in the form of the following statement, separately for each sub-head erned or collectively as may be found convenient —

ial)	Service	Grant	Expenditure	Balance.	
				Unexpended	Excess
	I Major Works above Rs 1 lac specifically provided for in the Estimates—				
	(a) Estimated to cost above Rs 1 lac				
	(To be detailed)				
	(b) Originally estimated to cost Rs 1 lac or le s, but now estimated or expected to cost above Rs 1 lac				
	(To be detailed)				
	II Unforeseen Major Works				
	(To be detailed)				
	III Other Major Works .				
	(Collectively)				
	IV. Minor Works .				
	(Collectively)				
	Total .				

Net $\frac{\text{Savings}}{\text{Excess}}$ Rs

Foot notes to be appended to each statement to give (i) further particulars in respect each major work detailed individually under heads I and II in the statement and general explanations of variation between appropriation and expenditure, in respect works included collectively under heads III and IV

5. It is not a necessary corollary to Note 4 above that the procedure observed at present for ailing works in the budget estimates should also be amended, but the Government may a to reconsider it

6 Detailed information similar to that suggested in Note 4 above for new works is not essary in respect of maintenance and repair works.

7 For sub-head E. 1—Stock , a statement should be appended to the appropriation ount givi g the opening and closing balances of the year, the receipts and issues of year, and a review of the balances and of the results of stock verification.

8. For sub-head E 2.—Other Suspense Accounts ' it will perhaps suffice if in regard to Suspense head Miscellaneous Advances only, a detailed statement is appended to appropriation account including items of expenditure (above Rs 5 000) on Deposit Works urred in excess, or in the absence, of the necessary deposits therefor

9 It is not proposed to insert in the appropriation account any review of the balances materials at site, etc.

10. Each of the sub-heads "Work", "Extensions and Improvements", and "Maintenance and Repairs" includes, *inter alia*, charges known as "Losses on Stock". It is not considered necessary to sub-divide these sub-head further so as to distinguish the losses from other charges. In respect of those losses, as in respect of losses of stores debited to the accounts of individual Works, all that can be done under the existing system of accounting is to lay down that the officer preparing the appropriation account shall call attention, in the detailed Note to the sub-heads concerned, to all important losses which may have come to his notice.

11. It is not proposed to append the capital and revenue accounts of individual irrigation projects to the appropriation account as such accounts are separately published. Hereafter when the number of trading accounts of central civil expenditure increases and the English plan of printing a separate publication in respect of trading accounts is adopted, the irrigation accounts can also be included therein.

LIST No. 8.

GRANT No. 25.—INTEREST ON ORDINARY DEBT, AND REDUCTION OR AVOIDANCE OF DEBT.

Interest on ordinary debt.

A.—Rupee Debt:—

A. 1.—Interest on Permanent Debt;
A. 2.—Interest on Expired Loans;
A. 3.—Discount on Loans;
A. 4.—Dicount on Treasury Bills;
A. 5.—Interest on other Floating Loans;
A. 6.—Management of Debt;

B.—Sterling Debt:—

B. 1.—Interest on Loans contracted in England under various Acts;
B. 2.—Interest on outstanding liabilities of Railway Companies taken over on purchase;
B. 3.—Interest on Liabilities assumed in respect of British Government 5 per cent. War Loan (1929-47);
B. 4.—Discount Sinking Funds;
B. 5.—Management of Debt;

C.—Loss or Gain by Exchange; and

D.—*Deduct* Interest on Debt incurred for Commercial Departments and Provincial Governments:—

D. 1.—Railways;
D. 2.—Posts and Telegraphs;
D. 3.—Irrigation Works (Central);
D. 4.—Salt Works;
D. 5.—Provincial Loan Fund.

Appropriation for reduction or avoidance of debt.

E.—Sinking Funds:—

E. 1.—India;
E. 2.—England;

F.—Other Appropriations:—

F. 1.—India;
F. 2.—England; and

G.—Loss or Gain by Exchange.

NOTES.—1. It is not proposed to give separately the figures of each loan by assigning a distinct sub-head thereto. Such further details could be given if desired, but they do not seem to be important enough to justify the consequent elaboration of the appropriation account.

2. Sub-heads "D. 4.—Salt works" will not be necessary if the proposal, made separately, to treat as receipts the interest charged to a commercial department on its capital expenditure met out of revenues is accepted.

LIST No 9

GRANT No 26 —INTEREST ON MISCELLANEOUS OBLIGATIONS

Charges in India

A.—Special Loans —
- A. 1 —Interest on Loans from the late King of Oudh,
- A 2 —Interest on other Special Loans,

B —Treasury Notes of Service and Other Funds

C —Deposits of Service Funds bearing interest —
- C 1 —Interest on Uncovenanted Service Family Pension Fund,
- C 2 —Interest on other Service Funds,

D —Savings Bank Deposits —
- D 1 —Interest on Central Provident Fund,
- D 2 —Interest on Civil Service Annuity Fund,
- D 3 —Interest on other Bank Accounts,

E —Special Savings Bank Accounts,

F —Other Items —
- F 1 —Payments to Post Office for Savings Bank and Cash Certificate Work,
- F 2 —Interest on Provincial Balance (when necessary),
- F 3 —Interest on Famine Insurance Fund Balance,
- F 4 —Other Interest Charges, and
- F 5 —Miscellaneous

Charges in England

G —Interest on sterling branches of Provident Funds

H —Loss or Gain by Exchange

LIST No 10

GRANT No 27 —STAFF, HOUSEHOLD, AND ALLOWANCES OF THE GOVERNOR-GENERAL

A —Salary of the Governor General,

B —Sumptuary Allowance of the Governor General,

C —Expenditure from Contract Allowance (unaudited)

D —State Conveyances and Motors,

E —Private Secretary —
- E 1 —Pay of Officers,
- E 2 —Pay of Establishments,
- E 3 —Allowances Honoraria, etc ,
- E 4 —Postage Telegram, and Telephone charges,
- E 5 —Other Contingencies,

F —Military Secretary —
- F 1 —Pay of Officers,
- F 2 —Pay of Establishments,
- F 3.—Allowances Honoraria, etc.,
- F 4 —Supplies and Services,
- F 5 —Maintenance of gardens,
- F 6 —Other Contingencies,

G —Tour Expenses —
- G 1 —Special Trains and Steamers, and haulage of saloon carriages,
- G 2.—Other charges.

LIST No. 11.

Grant No. 28.—Executive Council.

A.—Pay;
B.—Allowances, etc.;
C.—Tour Expenses.

LIST No. 12.

Grant No. 29.—Legislative Bodies.

A.—Council of State:—
- A. 1.—Pay of President;
- A. 2.—Allowances of Members;

B.—Legislative Assembly:—
- B. 1.—Pay of President and Deputy President;
- B. 2.—Pay of Establishment;
- B. 3.—Allowances of Members;
- B. 4.—Contingencies.

LIST No. 13.

Grant No. 30.—Foreign and Political Department.

A.—Pay of Officers;
B.—Pay of Establishments;
C.—Allowances, Honoraria, etc.;
D.—Postage, Telegram, and Telephone charges;
E.—Other Contingencies.

LIST No. 14.

Grant No. 31.—Home Department.

A.—Secretariat:—
- A. 1.—Pay of Officers;
- A. 2.—Pay of Establishments;
- A. 3.—Allowances, Honoraria, etc.;
- A. 4.—Contingencies;

B.—Staff Selection Board;
C.—Bureau of Public Information;
D.—Bureau of Central Intelligence:—
- D. 1.—Pay of Officers;
- D. 2.—Pay of Establishments;
- D. 3.—Allowances, Honoraria, etc.;
- D. 4.—Supplies and Services;
- D. 5.—Secret Service Contingencies (Unaudited);
- D. 6.—Other Contingencies;

E.—English charges (High Commissioner) on Stores for Administration;
F.—Loss or Gain by Exchange.

NOTE.—Expenditure under B and C seems too small to warrant exhibition i

LIST No 15

Grant No 32—Legislative Department

A—Pay of Officers,
B—Pay of Establishments,
C—Allowances, Honoraria, etc,
D—Contingencies,
E—Translators' Department

LIST No 16

Grant No 33—Department of Education, Health and Lands

A.—Pay of Officers,
B—Pay of Establishments,
C—Allowances, Honoraria, etc,
D—Contingencies,
E—Office of the Keeper of Records—
  E 1—Pay of Officers,
  E 2—Pay of Establishments,
  E 3—Allowances, Honoraria, etc,
  E 4—Contingencies

Note—A separate sub head for the Secretariat Library is not necessary if the Secretariat Library is no longer to be considered a separate branch

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LIST No 17

Grant No 34—Finance Department

A—Ordinary Branch—
  A 1—Pay of Officers,
  A 2—Pay of Establishments,
  A 3—Allowances, Honoraria, etc,
  A 4—Contingencies,

B—Military Finance—
  B 1—Pay of Officers,
  B 2—Pay of Establishments,
  B 3—Allowances, Honoraria, etc.,
  B 4—Contingencies,

C—Special staff for considering the question of separating Accounts from Audit—
  C 1—Pay of Officers,
  C 2—Pay of Establishments,
  C 3—Allowances, Honoraria, etc.,
  C 4—Contingencies,

D—Experimental Offices in connection with the scheme for separation of Accounts from Audit—
  D 1—Pay of Officers,
  D 2—Pay of Establishments,
  D 3—Allowances, Honoraria, etc.,
  D 4.—Contingencies.

LIST No. 18.

GRANT No. 35.—COMMERCE DEPARTMENT.

A.—Pay of Officers;
B.—Pay of Establishments;
C.—Allowances, Honoraria, etc.;
D.—Contingencies.

LIST No. 19.

GRANT No. 36.—ARMY DEPARTMENT.

A.—Pay of Officers;
B.—Pay of Establishments;
C.—Allowances, Honoraria, etc.;
D.—Postage, Telegram, and Telephone charges:
E.—Other Contingencies.

LIST No. 20.

GRANT No. 37.—DEPARTMENT OF INDUSTRIES AND LABOUR.

A.—Pay of Officers;
B.—Pay of Establishments;
C.—Allowances, Honoraria, etc.;
D.—Contingencies.

LIST No. 21.

GRANT No. 38.—CENTRAL BOARD OF REVENUE.

A.—Pay of Officers;
B.—Pay of Establishments;
C.—Allowances, Honoraria, etc.;
D.—Contingencies.

LIST No. 22.

GRANT No. 39.—PAYMENTS TO PROVINCIAL GOVERNMENTS ON ACCOUNT OF ADMINISTRATION OF AGENCY SUBJECTS.

A.—Madras;
B.—Bombay;
C.—Bengal;
D.—Etc.—For other Governments, as required.

LIST No 23

Grant No 40 —Audit

A —Auditor General —

- A 1 —Pay of Auditor General,
- A. 2 —Pay of Establishments,
- A 3 —Allowances, Honoraria, etc ,
- A 4 —Contingencies,

(Includes the Military Test Audit staff, but not the pay and allowances of the officers of that staff)

B —Indian Audit and Accounts Service —

- B 1 —Pay of Officers,
- B 2 —Allowances, Honoraria, etc ,
- B 3 —*Deduct* Amount recoverable from other Governments Departments, etc (specifically on account of officers' pay)

(Includes the officers employed on Military Test Audit)

C —Civil Offices of Account and Audit —

- C 1 —Pay of Officers,
- C 2 —Pay of Establishments,
- C 3 —Allowances, Honoraria, etc ,
- C 4 —Supplies and Services, and Contingencies,

(Includes the Customs and Press Audit establishments)

D —Establishment charges paid to other Governments, Departments, etc ,

E —*Deduct* Establishment charges recovered from other Governments, Departments, etc ,

F —Lump sum reserves —

- F 1 —For temporary establishments,
- F 2 —For revision of pay of establishments,

G —*Deduct* Probable savings

Note —It is not proposed to append to the appropriation account any [illegible] ing out the rate of the cost of account and audit as compared [illegible] expenditure brought to account and subjected to audit The prepara[illegible] ould in the first place involve considerable labour and secondly [illegible] a simple statement the real value of which would be generally [illegible]

LIST No 24

Grant No 41 —Administration of [illegible]

A —*Law Officers* —Paid to the Government of [illegible] rendered to the Central Government [illegible] Law Officer [illegible] Calcutta

B —*Other Expenditure (nature to be [illegible])

*To be used only when necessary [illegible]

LIST No. 25.

Grant No. 42.—Police.

A.—Baroda Cantonment Police;

B.—Charges for Pass-port work done by the Police Department, Bombay;

C.—Lump sum charges paid to Provincial Governments for cost of police guards for Central buildings:—

C. 1.—Bombay;
C. 2.—Bengal;
C. 3.—United Provinces;
C. 4.—Punjab;
C. 5.—Etc.—For other Governments, as required.

D.—*Other Expenditure (nature to be specified).

* To be used only when necessary: See also Note on Occasional Grants (List No. 75).

LIST No. 26.

Grant No. 43.—Ports and Pilotage.

A.—Bengal Pilot Service:—

A. 1.—Pay and Allowances of Officers and Men afloat:—
A. 1 (1).—Pay of Officers;
A. 1 (2).—Pay of Establishments;
A. 1 (3).—Contingencies,

A. 2.—Victualling Allowances of Officers and Men afloat;

A. 3.—Purchase of Marine Stores and Coal for the building, repairs, and outfit of ships and vessels:—
A. 3 (1).—Building, repairs, and outfit (material);
A. 3 (2).—Building, repairs, and outfit (personnel);
A. 3 (3).—Coal;

A. 4.—Pilotage and Pilot Establishments:—
A. 4 (1).—Allowances to Pilots;
A. 4 (2).—Allowances to Leadsmen;
A. 4 (3).—Contingencies;

A. 5.—English charges (High Commissioner) on Stores;

A. 6.—Loss or Gain by Exchange;

B.—Ports Establishments—Port Officers' Department and Marine Courts:—

B. 1.—Bengal:—
B. 1 (1).—Gross charges;
B. 1 (2).—*Deduct* Share recovered from Provincial Government under pooling scheme;

B. 2.—Burma:—
B. 2 (1).—Gross charges;
B. 2 (2).—*Deduct* Share recovered from Provincial Government;

B. 3.—Bihar and Orissa;

C.—Ports Establishments—Shipping Offices:—

C. 1.—Bombay;
C. 2.—Bengal;

D —Ports Establishments—Marine Survey Department —

- D 1 —Pay of Officers,
- D 2 —Pay of Establishments,
- D 3 —Allowances, Honoraria, etc ,
- D 4 —Supplies and Services,
- D 5 —Contingencie ,
- D 6 —*Deduct* Amounts recovered from provincial Governments —
  - D 6 (1) —Bombay,
  - D 6 (2) —Bengal,
  - D 6 (3) —Burma,

E —Light Houses, Beacons, Light Ships and Buoys —

- E 1 —Light Houses —
  - E 1 (1) —Pay of Establishment,
  - E 1 (2) —Allowances, Honoraria, etc ,
  - E 1 (3) —Supplies and Services (Provincial),
  - E 1 (4) —Contingencies,
- E 2 —Light Ships, etc —
  - E 2 (1) —Pay of Officers,
  - E 2 (2) —Pay of Establishments,
  - E 2 (3) —Allowances, Honoraria, etc
  - E 2 (4) —Provisions,
  - E 2 (5) —Other Supplies and Services,
  - E 2 (6) —Contingencies,
  - E 2 (7) —Grants in Aid
  - E 2 (8) —English charges (High Commissioner) on Stores, etc ,
  - E 2 (9) —Loss or Gain by Exchange

NOTE —It is a question for the consideration of the Government of India if one or more *pro forma* profit and loss accounts should be appended to the appropriation account for this Grant This point is under discussion with the Commerce Department and the Accountant General Burma is now considering the improvement of the form of the *pro forma* account now compiled for Light Houses and Light Ships serving Rangoon

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LIST No 27

GRANT No 44 —SURVEY OF INDIA

A —Controlling and Administrative Staff —

- A. 1 —Pay of Officers,
- A 2 —Allowances, Honoraria, etc ,

etc ,

- B 4 —Customs duty on Stores,
- B 5 —Other Supplies and Services,
- B 6 —Contingencies,

C —Mathematical Instrument Manufactory —

- C 1 —Pay of Officers,
- C 2 —Pay of Establishments,
- C 3 —Allowances, Honoraria, etc ,
- C 4 —Supplies and Services,
- C 5 —Contingencies,

D.—Survey Parties—General:—
- D. 1.—Pay of Officers;
- D. 2.—Pay of Establishments;
- D. 3.—Allowances, Honoraria, etc.;
- D. 4.—Purchase and maintenance of stores, tents, etc.;
- D. 5.—Conveyance of tents, stores, records, etc.;
- D. 6.—Jungle clearing and line cutting;
- D. 7.—Other Supplies and Services;
- D. 8.—Contingencies.

E.—Survey Parties.—Working for the Provincial Governments, Indian States, and Forest Map Office:—
- E. 1.—Pay of Officers;
- E. 2.—Pay of Establishments;
- E. 3.—Allowances, Honoraria, etc.;
- E. 4.—Purchase and maintenance of stores, tents, etc.
- E. 5.—Conveyance of tents, stores, records, etc.;
- E. 6.—Jungle clearing and line cutting;
- E. 7.—Other Supplies and Services;
- E. 8.—Contingencies.

F.—*Deduct* Establishment charges recovered from other Governments, Departments, etc.;
- F. 1.—
- F. 2.—
- F. 3.—

} A separate sub-division for each Government, Department, etc.;

G.—English charges (High Commissioner) on Stores;

H.—Loss or Gain by Exchange.

NOTES.—1. The question of appending to the Appropriation Account a *pro forma* account to test the adequacy of the recoveries shown against sub-head F., with reference to the actual charges shown against sub-head E, has been left over for the present. Such a question, when raised, will require prolonged discussions with the Surveyor-General, and probably necessitate complete recasting of the accounts of this department.

2. The stocks of (1) maps, and (2) mathematical instruments, maintained by this department are of considerable value and importance. Store accounts of these, in suitable form, should, therefore, be appended to the Appropriation Account. The form to be adopted to be settled in consultation between the Surveyor-General and the Audit Officer. For (2) it is understood that there are records in the mathematical instrument office from which a suitable form can be evolved.

LIST No. 28.

GRANT No. 45.—METEOROLOGY.

A.—Simla Office:—
- A. 1.—Pay of Officers;
- A. 2.—Pay of Establishments;
- A. 3.—Allowances, Honoraria, etc.;
- A. 4.—Postage, telegram, and telephone charges;
- A. 5.—Supplies and Services, and Contingencies;

B.—Weather Telegrams;

C.—Subsidy paid to the Government of Burma towards upkeep of wireless station at Diamond Island;

D.—Alipur Office;

E.—Kodai Kanal Observatory;

F.—Madras Office and Observatory;

G.—Bombay Office and Observatory;

H.—Agra Aerological Observatory.

I.—Other Observatories;

J.—English charges (High Commissioner) on Stores;

K —Loss or Gain by Exchange,

L —Probable Savings

NOTE —If any of the sub heads D to I includes charges on a work or scheme, which is not a minor work (*Rs 10 000 or less*) the sub-head *should be sub-divided so* as to provide a separate sub head for Works In respect of expenditure on works costing more than Rs 50 000 each the Notes to the appropriation accounts should give further particulars as in the case of similar original works of the Civil Works grant

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LIST No 29

GRANT No 46 —GEOLOGICAL SURVEY

A.—Pay *of Officers*,

B —Pay of *Establishments*,

C —Allowances, Honoraria, etc.,

D —Supplies and Services,

E —Contingencies,

F —Grants in Aid,

G —Burma Office (a similar sub head being opened, whenever necessary, for each office maintained for work on behalf of a provincial Government, the sub head being divided further if the expenditure is large, say more than Rs 1 lac),

H —Establishment charges recovered from other Governments, Departments, etc ,

H 1 —, H 2 —, Etc } One subdivision for each Government (at present only one subdivision for Burma, will suffice)

I —English charges (High Commissioner) on stores,

J —Loss or Gain by Exchange,

K —Probable savings

LIST No 30

GRANT No 47 —BOTANICAL SURVEY

A.—Botanical Survey —

- A 1 —Pay and Allowances of Officers and Establishments,
- A. 2 —Contingencies,
- A 3 —Grants in Aid (to the Industrial Section of the Indian Museum),

B —Cinchona Plantation —

- B 1 —Pay and Allowances of Officers and Establishments,
- B 2 —Purchase abroad of Cinchona bark and quinine sulphate,
- B 3 —Plantation charges, implements and stores, and freight and other charges,
- B 4 —Contingencies,
- B 5 —Amounts paid to *provincial Governments for* extraction of quinine from cinchona bark
  - B 5 (1) —Madras,
  - B 5 (2) —Bengal,

C —Probable Savings.

NOTES —1 A *pro forma* trading account to be appended to the Appropriation Account of this grant in respect of the Cinchona Plantation Form of account is being considered by the Director Commercial Audit.

2. It is suggested that a Store Account in respect of the Cinchona Plantation should also be appended

LIST No. 31.

Grant No. 48.—Zoological Survey.

A. 1.—Pay of Officers;
A. 2.—Pay of Establishments;
A. 3.—Allowances, Honoraria, etc.;
A. 4.—*Supplies and Services;
A. 5.—Contingencies;
A. 6.—Grant-in-Aid (whenever necessary).

*When expenditure is incurred on a special scheme of a temporary character (e.g., Rearrangement and completion of the Invertebrate gallery of the Indian Museum), this sub-head should be sub-divided, so as to show the charges on such scheme separately from expenditure on "Other Supplies and Services".

LIST No. 32.

Grant No. 49.—Archæology.

A. -Pay of Officers;
B.--Pay of Establishments;
C.--Allowances, Honoraria, etc.;
D.--Conservation of ancient monuments:—
D. 1.—Special Repairs of Monuments:—
(A subdivision for each province, but the feasibility of this is still under discussion);
D. 2.—Annual maintenance and upkeep of monuments and attached gardens;
D. 3.—Grants-in-Aid;
E.--Library and Publications;
F.—Excavation charges;
G.—Works;
H.--Museums at Taxila and Nalanda, and in the United Provinces;
I.--Other Supplies and Services;
J.—Contingencies;
K.—Collection and Arrangement of Central Asian Antiquities.
(Not necessary to subdivide it further, as the expenditure at present is not very considerable).

Note.—Expenditure falling under the sub-heads D. 1 and F. is of the nature of expenditure on New Works, and should, therefore, be treated as such in the Appropriation Account.

LIST No. 33.

Grant No. 50.—Mines.

A.—Pay of Officers;
B.—Pay of Establishments;
C.—Travelling Allowances;
D.—Other Allowances, Honoraria, etc.;
E.—Allowances and other charges in connection with examinations;
F.—Supplies and Services, and Contingencies.

Notes.—1. No charges falling under sub-head E. should be brought to account under any other sub-head.

2. In the Appropriation Account a foot-note should be appended to sub-head E. stating the total amount of examination fees realised. No *pro forma* account is necessary at present, in respect of the examinations.

LIST No 34

GRANT No 51—OTHER SCIENTIFIC DEPARTMENTS

A—Central Museum—Grants in Aid,
B—Central Museum—Other charges,
C—Grants in Aid to Scientific Societies and Institutes—
C 1—Indian Institute of Science, Bangalore,
C 2—Bose Research Institute Calcutta,
C 3—Etc. (Additional subdivisions for other important donations individually, and one, if necessary, for minor donations collectively)

LIST No 35

GRANT No 52—EDUCATION

A—Grants in Aid to the Universities of Benares and Aligarh (Also Calcutta, if necessary)
B—Grants in Aid to non Government Arts Colleges—Rajkumar College, Rajkote, and Aitchison College, Lahore,
C—Grants in Aid to non Government Secondary Schools,
D—Inspection of Chiefs' Colleges

LIST No 36

GRANT No 53—MEDICAL SERVICE

A—Medical Establishment—Superintendence—
A 1—Pay of Officers,
A 2—Pay of Establishments,
A 3—Allowances, Honoraria, etc,
A 4—Supplies and Services,
A 5—Contingencies,
A 6—*Deduct* (i) charges recovered from the Indian Research Fund Association, and (ii) expenditure chargeable to the grant for Public Health (No 54),
B—Medical Establishment—District Medical Officers, Simla,
C—Medical Establishment—Imperial Serologist,
D—Hospitals and Dispensaries—
D 1—Pay and Allowances, and other Expenses,
D 2—Grants in Aid to non Government medical institutions,
D 3—Paid to the Punjab Government as civil share of cost of the combined civil and military dispensary at Simla,
E—Grants for medical purposes,
F—X Ray Institute, Kasauli—
F 1—Pay of Officers,
F 2—Pay of Establishments,
F 3—Supplies and Services,
F 4—Allowances, and Contingencies,
G—Works (whenever necessary),

H.—English charges (High Commissioner) on Stores;

I.—Loss or Gain by Exchange.

NOTE.—It is proposed that suitable manufacture and store accounts should be appended to the appropriation account for this grant in respect of the X.-Ray Institute Kasauli, in forms similar to those which have been suggested for the Central Research Institute, Kasauli, in the proposals in respect of Grant No. 54 "Public Health", or such other forms as may be settled between the authorities of the Department and the Audit Officer to whom a reference has been made.

LIST No. 37.

GRANT No. 54.—PUBLIC HEALTH.

A.—Public Health Establishment—Pay, Allowances, and Expenses;

B.—Public Health Establishment—Charges brought to account initially against the grant for Medical Services (No. 53);

C.—Public Health—Expenses in connection with epidemic diseases:—

- C. 1.—Port Quarantine charges, Madras:—
  - C. 1 (1).—Pay and Allowances of Officers and Establishments;
  - C. 1 (2).—Other Expenses;
  - C. 1 (3).—*Deduct* Recovered from the British India Steam Navigation Company;
- C. 2.—Port Health Establishment, Bombay:—
  - C. 2 (1).—Pay of Officers;
  - C. 2 (2).—Pay of Establishments;
  - C. 2 (3).—Allowances, Honoraria, etc.;
  - C. 2 (4).—Contingencies;
  - C. 2 (5).—*Deduct* Recovered from the Port Trust, Bombay;
  - C. 2 (6).—*Deduct* Recovered from the Government of Bombay;

D.—Bacteriological Laboratories—Central Research Institute, Kasauli:—

- D. 1.—Pay of Officers;
- D. 2.—Pay of Establishments;
- D. 3.—Allowance, Honoraria, etc.;
- D. 4.—Purchase of serum bottles;
- D. 5.—Purchase and Repair of Apparatus;
- D. 6.—Other Supplies;
- D. 7.—Contingencies;

E.—Grants-in-Aid:—

- E. 1.—For Public Health purposes:—
  - E. 1 (1).—To Indian Research Fund;
  - E. 1 (2).—To Haj Committees;
  - E. 1 (3).—To others;
- E. 2.—For Pasteur Institutes—To Pasteur Institute, Kasauli.

NOTES.—1. When there is any expenditure on Public Health Works, a special sub-head "Works" should be opened for it.

2. If it is desired to append to the appropriation account a profit and loss account and a store account of the vaccines and sera manufactured at the Central Research Institute, Kasauli, this can be done by presenting a summary of the *pro forma* financial statements at present prepared annually for submission to Government. The attached forms, A. B, and C, are suggested for adoption. It should, however, be borne in mind that these statements do not take into account any overhead or indirect charges, *e.g.*, pensionary charges, interest, stationery and printing depreciation, etc., and that suitable amendment of the forms will be necessary if it is desired to complete the *pro forma* account in this respect.

3. As apparently the annual grants to the Indian Research Fund are to be revived, it will presumably be held desirable to append to the appropriation account a statement, in suitable form, showing the income and expenditure of this fund and the opening and closing balances.

A

Statement showing the financial result of the sale of Vaccines, Sera, etc, manufactured at the Central Research Institute, Kasauli, during the year 1922-23

Debits.		Credits	
	Rs		Rs
Outstanding bills on 1st April 1922 . .	5,842	Sale proceeds —	
		Rs	
Value of empty capsules and of vaccines and sera in stock on 1st April 1922, as per Statement B . .	1,32,890	Actual recoveries 1,27,306	
		Outstanding bills on 31st March 1922 . 3,302	
Proportionate amount of the pay and allowances of the staff and of the contingent charges, as per Statement B. .	1,23,358	Total	. 1,30,608
50 per cent paid to Bacteriological officers on the sale of curative vaccines, etc., to private institutions and individuals	400	Value of empty capsules and of vaccines and sera in stock on 31st March 1923, as per Statement B	. 1,28,866
		Less	3,016
Total .	2,62,490	Total	. 2,62,490

B

Store Account for 1922 23 of Vaccines, Sera, etc, manufactured at the Central Research Institute, Kasauli.

	On 1st April 1922 .	On 1st April 1923
	Rs.	Rs.
Empty capsules—		
Not vaccumised	27,618	20,585
Vaccumised	63,523	67,819
Filled up capsules—		
Vaccines	9,882	4,511
Sera	180	891
Finished but not bottled—		
Vaccines	31,687	35,060
Total .	1,32,890	1,28,866

Statement showing proportionate expenditure of the Research Institute, Kasauli, debitable to Vaccines and Sera for the year 1922-23.

	Proportion debitable to Vaccines and Sera.	Amount.
		Rs.
Pay of Officers—		
Director	$\frac{1}{10}$th	2,701
Other officers	„ out of	17,286
Pay of Establishments—		
Clerical	$\frac{1}{10}$th out of	16,384
Non-pensionable	„ „	16.388
Inferior	„ „	19,529
Overtime allowance	...	65
Allowances, Honoraria, etc.—		
Director's House Rent	$\frac{1}{10}$th	60
Sub-Assistant Surgeon's House Rent . .	Full	180
Other allowances	...	...
Supplies and Services—		
Purchase of serum bottles	Full*	44,093*
Purchase and repair of apparatus and other charges	...	
Contingencies	$\frac{1}{6}$th	15,672
Total .	...	1,23,358

* To be detailed.

LIST No. 38.

Grant No. 55.—Agriculture.

A.—Superintendence—Agricultural Institute, Pusa, and Central Bureau of Animal Husbandry:—

A. 1.—Pay of Officers;
A. 2.—Pay of Establishments;
A. 3.—Allowances, Honoraria, etc.;
A. 4.—Works;
A. 5.—Agricultural and Veterinary publications;
A. 6.—Supplies and Services;
A. 7.—Contingencies;

B.—Expert Staff:—

B. 1.—Pay of Officers;
B. 2.—Pay of Establishments;
B. 3.—Allowances, Honoraria, etc.;
B. 4.—Purchase of Cattle;
B. 5.—Purchase of new machinery and plant, apparatus, etc.;
B. 6.—Other Supplies and Services;
B. 7.—Contingencies;

C Experimental Farms—Imperial Cattle breeding Farm, Karnal —

C 1—Pay and Allowances,
C 2—Capital expenditure—acquisition of additional cattle, land, machinery, plant, buildings, etc ,
C 3—Feed of dairy cattle, including grazing charges,
C 4—Upkeep and replacement of cattle, land, machinery, buildings, etc ,
C 5—Other expenses,

D—Sugarcane Station, Coimbatore,

D 1—Pay and Allowances,
D 2—Works (Lands, Buildings, Roads, etc),
D 3—Sugarcane Station working expenses,
D 4—Other Supplies and Services, and Contingencies,

E—Sugar Bureau,

F—Indian Central Cotton Committee —

F 1—Pay, Allowances, and other Expenses,
F 2—*Deduct* Recovered from the Committee,

G—Imperial Institute of Animal Husbandry and Dairying, Bangalore —

G 1—Pay and Allowances,
G 2—Capital expenditure—acquisition of additional cattle, land, machinery, plant, buildings, etc ,
G 3—Feed of dairy cattle including grazing charges,
G 4—Hire of cattle and purchase of dairy produce,
G 5—Upkeep and replacement of cattle, land, machinery, plant, buildings, etc ,
G 6—Other Expenses,

H—Imperial Institute of Animal Husbandry and Dairying, Wellington —

H 1—Pay and Allowances,
H 2—Capital expenditure—acquisition of additional cattle, land, machinery, plant, buildings, etc ,
H 3—Feed of dairy cattle including granting produce,
H 4—Hire of cattle and purchase of dairy produce,
H 5—Upkeep and replacement of cattle, land, machinery, plant, buildings, etc ,
H 6—Other Expenses

I—Miscellaneous—Medical Establishment —

I 1—Pay and Allowances,
I 2—Medicine and Diet,
I 3—Other Expenses

J—Miscellaneous—Estate Establishment

J 1—Pay and Allowances,
J 2—Petty construction, and upkeep of Estate,
J 3—Other Expenses,

NOTE—1 In respect of the Imperial Cattle-breeding farm at Karnal and of the two Imperial Institutes of Animal Husbandry and Dairying at Wellington and Bangalore respectively it is suggested that a profit and loss (or trading account) a capital account, and a balance sheet for each of these institutions be appended to the appropriation account. The forms in which these accounts are at present prepared by these institutions may perhaps be used for this purpose the question of amending the forms being left over until some further experience is gained of the working of these institutions under the new conditions consequent upon their transfer to the control of Civil Administration.

2 It is a question for consideration if in addition to the trading accounts prepared above Store Accounts for the animals belonging to these institutions should not be appended to the appropriation account

LIST No. 39.

GRANT No. 56.—CIVIL VETERINARY SERVICES.

Bacteriological Laboratory, Mukteswar.

A.—Pay of Officers:—
- A. 1.—Direction;
- A. 2.—Laboratory, Veterinary, Farm, Electrical and Medical branches;

B.—Pay of Establishment:—
- B. 1.—Direction;
- B. 2.—Veterinary Branch;
- B. 3.—Other branches;

C.—Allowances, Honoraria, etc.;

D.—Purchase of additional animals;

E.—Replacement of animals;

F.—Stable feed and upkeep of animals:—
- F. 1.—Purchase of grain;
- F. 2.—Purchase of grass;
- F. 3.—Cattle attendants and coolies;
- F. 4.—Other charges;

G.—New machinery, plant, buildings, etc.;

H.—Replacement and upkeep of machinery, plant, buildings, etc.;

I.—Purchase of chemicals and apparatus;

J.—Other Supplies and Services;

K.—Contingencies:—
- K. 1.—Railway freight, and other carriage charges;
- K. 2.—Other contingencies.

NOTES.—1. It is proposed that *pro forma* manufacture accounts, in forms similar to those proposed for the Central Research Institute, Kasauli, with suitable modification, may be appended to the appropriation account for this grant, in respect of vaccines and sera manufactured at the Imperial Institute of Veterinary Research, Mukteswar. The remarks made in respect of those forms should be borne in mind.

2. Further, it is suggested that a store account of animals should be appended to the appropriation account. It is understood that an account in simple form can be prepared by the Director of the Institute from the live-stock register maintained in his office.

LIST No. 40.

GRANT No. 57.—INDUSTRIES.

A.—Industries:—
- A. 1.—Industrial Education;
- A. 2.—Grant-in-Aid (Bounties to Steel Industry);
  - A. 2 (1).—Bounties on Steel rails and fishplates, under section 3 of Act XIV of 1924;
  - A. 2 (2).—Bounties on railway wagons constructed in India, under section 4 of Act XIV of 1924;
  - A. 2 (3).—Other Bounties (to be particularised);

B.—Drug Manufacture:—
- B. 1.—Grant-in-Aid;
- B. 2.—Other Expenses;

C.—School of Mines and Geology:—
- C. 1.—Pay and Allowances;
- C. 2.—Works (if required);
- C. 3.—Supplies and Services;
- C. 4.—Contingencies:

D —English charges (High Commissioner) on Stores

E —Loss or Gain by Exchange

NOTES —1 Sub head B will not be necessary, so long as the activities of the Drug Manufacture Committee are suspended

2. In respect of sub-head A 2 (Bounties to Steel Industry) it is suggested that the notes appended to this head in the Appropriation Account should give suitable details of the bounties paid *e g* name of the firm (if this is considered necessary) the tonnage on which bounty is calculated and the rate of payment This information is desirable as in the Demand for Grant only lump sum provision is made and no details are given

LIST No 41

GRANT No 58 —AVIATION

A —Pay and Allowances,

B —Works,

C —Supplies and Services,

D —Contingencies

NOTE —As Civil Aviation develops in India this division will probably be found inadequate For the present however these heads will suffice

LIST No 42

GRANT No 59 —COMMERCIAL INTELLIGENCE AND STATISTICS

A —Pay of Officers,

B —Pay of Establishments,

C —Allowances, Honoraria, etc ,

D —Contingencies,

E —Payments to Railways and provincial Governments for Frontier Trade Registration

LIST No 43

GRANT No 60 —CENSUS

A —Superintendence —
- A 1 —Pay of Officers,
- A 2 —Pay of Establishments,
- A 3 —*Allowances, Honoraria, etc* ,
- A 4 —Contingencies,

B —Enumeration —
- B 1 —Pay and allowances of Establishments.
- B 2 —Contingencies

C —Abstraction and Compilation —
- C 1 —Pay and allowances of Establishments
- C 2 —Contingencies,

D —Miscellaneous Staff,

(To be sub divided like C, if necessary), and

E —Printing and other stationery charges.

NOTES —1 Sub-head E will be necessary only if the Census C[illegible] separate provision for his printing and stationery charges [illegible] Stationery and Printing

2. A *running account of the* expenditure on each [illegible] should be given [illegible] the notes appended to the Appropriation Account [illegible] for special schemes and objects of expenditure [illegible]

3. It is a question for consideration if the Census [illegible] appear in a single subject Grant under the [illegible] Census Commissioner [illegible] expenditure to be incurred in the minor [illegible] Area Grants At present the Census exp[illegible] importance only when the time for [illegible]

LIST No. 44

Grant No. 61.—Emigration—Internal.

A.—Expenditure in Assam:—

A. 1.—Pay, Allowances, and Expenses of Administrative Establishment;
A. 2.—*Deduct* Contribution by Assam Government;
A. 3.—Pay, Allowances, and Expenses of Medical Establishment;
A. 4.—Grant-in-Aid;
A. 5.—*Deduct* Contribution by Tea District Labour Association;
A. 6.—Reserve:

B.—Other Expenditure:—

B. 1.—Pay and Allowances;
B. 2.—Contingencies;
B. 3.—Grants-in-Aid:
B. 4.—Charges transferred from Grant No. 62 (Emigration—External.)

LIST No. 45.

Grant No. 62.—Emigration—External.

A.—Pay, Allowances, and Expenses of Emigration Agents in other countries;
B.—Pay of Emigration Officers and Medical Inspectors in India;
C.—Pay of Establishments;
D.—Allowances, Honoraria, etc.;
E.—Contingencies;
F.—*Deduct* Share of charges in Bengal transferred to "Emigration—Internal" (Grant No. 61).

Note.—As the emigration fees are collectively supposed to meet the entire expenditure incurred in connection with emigration (external), it is proposed that a foot-note should be appended to the appropriation account for this Grant, stating the total amount of emigration fees realised, and suitably reviewing the difference between the expenditure and the receipts.

LIST No. 46.

Grant No. 63.—Joint Stock Companies.

A.—Pay of Officers;
B.—Pay of Establishments;
C.—Allowances, Honoraria, etc.;
D.—Contingencies;
E.—Establishment charges paid to provincial Governments:—

E. 1.—Madras;
E. 2.—United Provinces;
E. 3.—Punjab;
E. 4.—
Etc. } And such others as may be necessary.

Note.—It is proposed that a foot-note should be appended to the appropriation account for this grant, stating the total amount of the receipts on account of Joint Stock Companies.

LIST No 47

GRANT No 64 —MISCELLANEOUS DEPARTMENTS

I —Indian Stores Department

A —Headquarters Establishment —
- A 1 —Pay of Officers,
- A 2 —Pay of Establishments,
- A 3 —Allowances, Honoraria, etc ,
- A 4 —Supplies and Services,
- A 5 —Contingencies,

B —Purchase Circles —
- B 1 —Pay of Officers
- B 2 —Pay of Establishments,
- B 3 —Allowances, Honoraria, etc ,
- B 4 —Supplies and Services,
- B 5 —Contingencies

C —Inspection Circles —
- C 1 —Pay of Officers,
- C 2 —Pay of Establishments,
- C 3 —Allowances Honoraria etc ,
- C 4 —Supplies and Services
- C 5 —Contingencies

D —Government Test House —
- D 1 —Pay of Officers,
- D 2 —Pay of Establishments,
- D 3 —Allowances, Honoraria etc ,
- D 4 —Supplies and Services,
- D 5 —Works,
- D 6 —Contingencies

E —Metallurgical Inspectorate —
- E 1 —Pay of Officers
- E 2 —Pay of Establishments,
- E 3 —Allowances, Honoraria etc ,
- E 4 —Supplies and Services,
- E 5 —Works,
- E 6 —Contingencies,

F —English charges (High Commissioner) on stores (when necessary),
G —Loss or Gain by Exchange (when necessary),
H —Probable Savings

II —Other Departments

A —Imperial Library —
- A 1 —Pay of Officers,
- A 2 —Pay of Establishments,
- A 3 —Purchase of Books and Publications,
- A 4 —Other expenses, including Allowances, Honoraria, etc.,

B —Examinations,

C —Inspector of Explosives —
- C 1 —Pay of Officers,
- C 2 —Pay of Establishments,
- C 3 —Travelling Allowances,
- C 4 —Other Expenses,

D —Controller of Patents and
- D 1 —Pay and Allowa
- D 2 —Charges for prir
- D 3 —Contingencies,

E.—Actuary to the Government of India;
F.—Indian War Memorial;
G.—British Empire Exhibition;
H.—*English charges (High Commissioner)* on stores (when necessary).
I.—Loss or Gain by Exchange.

NOTES.—1. It is proposed to prepare two appropriation accounts for this grant—one for the expenditure of the Indian Stores Department and one for all other charges. It is a question for the consideration of the Finance Department if there should not be a separate grant for the Indian Stores Department.

2. It is suggested that to the appropriation account for the Indian Stores Department should be appended *pro forma* profit and loss accounts, so that the adequacy of the fees levied by the Department for purchase and Inspection work done by it may be reviewed periodically. There may be one account for the department as a whole, and one separately for each of the various organisations of the department. The attached form is at present used for the department as a whole. This form (with suitable modifications where necessary) is recommended for adoption provisionally.

3. In respect of sub-head D, of account No II (Controller of Patents and Designs), it is suggested that to this sub-head of the appropriation account should be appended a footnote stating the total fees realised.

4. The suggestion in Note 3 above applies *mutatis mutandis* to sub-head G. of Account No. II (British Empire Exhibition) and to any similar sub-heads that may be opened hereafter.

5. For occasional and special schemes or services, like the British Empire Exhibition, it is recommended that the relevant sub-head of the appropriation account should be supported by foot-notes giving a running account of the expenditure incurred, and comparing the expenditure with the estimated cost, as proposed separately for special schemes and objects of expenditure in general.

Profit and Loss Account of the Indian Stores Department for 19 -19 .

Dr.		*Cr.*	
1. To Pay of Officers		1. By Recoveries on account of fees for tests, etc., made from Government Department, Railways and private firms and individuals during the year .	
2. To Pay of Establishments . .		2. By 1 per cent. inspection charges on account of the inspection [illegible] the ...... [illegible] ...... Inspection Agency.	
3. To Allowances, Honoraria, etc. .		3. By 1 per cent. purchase charges on purchase work done by the Headquarters Purchase Branch.	
4. To Supplies and Services . .		4. By Miscellaneous receipts other than those creditable to the capital account . . .	
5. To Contingencies, etc. . . .			
6. To Charges on account of rent of offices accommodated in a Government building . . .			
7. To Petty construction and repairs			
8. To Allowances on account of pensionary charges . .			
9. To Leave salary paid in England .			
10. To Interest on capital outlay .			
11. To Depreciation— (*a*) Land and Building . .			
(*b*) Furniture and fixtures .			
(*c*) Plant and Machinery .			
12. To Share of headquarters administrative charges and cost of audit and accounts, etc. . .			
13. To Stationery and Printing *charges*			
Balance representing the net profit for the year . . .		Balance representing the net loss of the year	
TOTAL .		TOTAL .	

LIST No 48

GRANT No 65 —CURRENCY

A —Controller and Deputy Controllers of the Currency —

- A 1 —Pay of Officers,
- A 2 —Pay of Establishments,
- A 3 —Allowances, Honoraria, etc ,
- A 4 —Contingencies,

B —Currency Offices —

- B 1 —Pay of Officers,
- B 2 —Pay of Establishments, Treasurer's Department,
- B 3 —Pay of Establishments, General Department,
- B 4 —Allowances Honoraria, etc ,
- B 5 —Contingencies,

C —Charges for remittance of treasure,

D —Cost of manufacturing currency notes,

E —Discount on Bills,

F —Loss on note and specie remittances,

G —English charges (High Commissioner) on stores,

H —Loss or Gain by Exchange

NOTES —1 Sub head D will need further sub division but this can be determined only when the manufacture operations commence in India

2 It is suggested that a foot note should be appended to the appropriation account for this grant stating the total receipts under the major head XXVII—Currency It will probably not be considered necessary to append any *pro forma* account of the profit and loss of the Currency Department *e g* a statement giving (with or without amendment) the all *India totals of Accounts Nos 62 and 62A of the Finance and Revenue Accounts.*

3 When the manufacture operations commence in India a store account will be necessary, and in addition it may be found desirable to have capital and revenue accounts and a balance sheet For the stocks of (unsigned) note forms held by the Department now as well as hereafter perhaps it is not necessary to append any store account to the appropriation account No money value can be assigned to these forms and there can be no point in exhibiting numerical accounts

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LIST No 49

GRANT No 66 —MINT

A —Calcutta Mint—Mint Master's Establishment and Contingencies —

- A 1 —Pay of Mint Officers
- A. 2 —Mint Master's Establishment,
- A 3 —Bullion Establishment,
- A 4 —Operative Establishment,
- A 5 —Allowances, Honoraria, etc ,
- A 6 —Supplies and Services,
- A 7 —Rents, rates, and taxes,
- A 8 —Other Contingencies,

B —Bombay Mint—Mint Master's Establishment and Contingencies —

- B 1 —Pay of Mint Officers,
- B 2 —Mint Master's Establishment,
- B 3 —Bullion Establishment,
- B 4 —Operative Establishment,
- B 5 —Assay Officers and Establishment,
- B 6 —Allowances, Honoraria, etc ,
- B 7 —Supplies and Services,
- B 8 —Contingencies,

C.—Loss on Coinage;
D.—Purchase of Local Stores;
E.—Works;
F.—Loss on circulation of bronze and copper coins;
G.—Loss on circulation of nickel coins;
H.—English charges (High Commissioner) on stores;
I.—Loss or Gain by Exchange.

NOTE.—It is recommended that a manufacture or profit and loss account, for each of the two mints, should be appended to the appropriation account for this Grant. The form to be adopted will be determined when the accounts are commercialised.

LIST No. 50.

GRANT No. 67.—CIVIL WORKS (INCLUDING EXPENDITURE IN ENGLAND AND LOSS OR GAIN BY EXCHANGE).

A.—Original Works—Buildings:—

A. 1.—
A. 2.—
etc.
} The minor heads other than "Civil Works" should be grouped into a convenient number of sub-heads, but a minor head the expenditure under which is estimated to exceed a prescribed limit (say Rs. 2 lacs) should be treated as a separate sub-head.

A.—Civil Works:—
A. (1).—Buildings;
A. (2).—Losses on Stock;

A.—Other.

B.—Original Works—Communications:—

B. 1.—
B. 2.—
etc.
} A sub-head for charges on each new road project (whether of new construction or of addition or alteration) if the total cost thereof is estimated to exceed Rs. 1 lac;

B.—Miscellaneous charges;

C.—Original Works—Miscellaneous (when necessary);

D.—Repairs—Buildings:—
D. 1.—Viceregal Estates;
D. 2.—North-West Frontier Province;
D. 3.—Baluchistan;
D. 4.—Delhi Province;
D. 5.—Bombay;
D. 6.—Bengal;
D. 7.—Punjab;
D. 8.—Elsewhere;

E.—Repairs—Communications:—
E. 1.—North-West Frontier Province;
E. 2.—Delhi Province;
E. 3.—Rajputana;
E. 4.—Central India;
E. 5.—Assam;
E. 6.—Elsewhere;

F.—Repairs—Miscellaneous (when necessary);

G.—Establishment:—
G. 1.—Consulting Engineer to the Government of India—Pay and Allowances of Consulting Engineer and Establishment, and Expenses.

G 2—Superintending Engineers and Special Officers with Establishments —

G 2 (1)—Pay of Officers,
G 2 (2)—Pay of Establishments,
G 2 (3)—Other charges,

G—3—Executive Establishment —

G 3 (1)—Pay of Officers,
G 3 (2)—Pay of Establishments,
G 3 (3)—Other charges,

G 4—Other Establishments (including establishment charges incurred in England) —

G 4 (1)—Pay of Officers in India,
G 4 (2)—Other Indian charges,
G 4 (3)—English charges,

G 5—Establishment charges credited to other Governments, Departments, etc —

G 5 (1)—Military Engineer Services,

G 5 (1) (1)—N W F Province,
G 5 (1) (2)—Baluchistan,
G 5 (1) (3)—Other Areas,

G 5 (2)—Delhi Capital,
G 5 (3)—Madras Government,
G 5 (4)—Bombay Government,
G 5 (5)—Bengal Government,
G 5 (6)—United Provinces Government,
G 5 (7)—Punjab Government,
G 5 (8)—Burma Government,
G 5 (9)—Bihar and Orissa Government,
G 5 (10)—Central Provinces Government,
G 5 (11)—Coorg Administration,
G 5 (12)—Kashmir Durbar (Gilgit Works),

G 6—*Deduct* Establishment charges recovered from other Governments, Departments, etc ,

H—Tools and Plant —

H 1—New Supplies,
H 2—Repairs and Carriage,
H 3—Tools and Plant charges credited to other Governments, Departments, etc ,

I—Grants in Aid,

J—Suspense —

J 1—Stock —

J 1 (1)—Charges
J 1 (2)—*Deduct* Issues to works and other credits

J 2—Other Suspense accounts —

J 2 (1)—Charges,
J 2 (2)—*Deduct* recoveries,

K.—*Deduct* English cost of stores and establishment,

L.—Expenditure in England (at par, £1=Rs 10) —

L. 1—Stores,
L. 2—Establishment,

M.—Loss or Gain by Exchange;

N.—Reserve for unforeseen original works.

NOTES.—1. The proposed changes in the sub-heads of the appropriation account will necessitate corresponding changes in the form and detail of the Estimates as presented to the Legislative Assembly and as printed in the Book of Demands.

2. The expenditure brought to account against sub-heads A. to H., and J., would be inclusive of the English cost of stores converted at prevailing rates of exchange in accordance with the rules in the Public Works Account Code, and that against sub-head K, would include the English cost, similarly converted, of stores and establishment.

2A. The existing division of original works into "major works" and "minor works" observed in the budget estimates cannot be followed up in the appropriation accounts, as this division is not observed in the prescribed classification of Public Works expenditure in the general accounts, *vide* Public Works Department Circular No. 3 P. W. of 1921.

3. It is proposed that to the appropriation accounts for all new works, *i.e.*, sub-heads A, B, C and H. I, should be appended detailed information in respect of the expenditure, etc., on (*a*) each major work estimated to cost more than Rs. 50,000 which was specifically provided for in the Estimates (*b*) each major work estimated to cost not more than Rs. 50,000, which was specifically provided for in the estimates if the actual progressive expenditure on it has exceeded Rs. 50,000, and (*c*) each unforeseen major work, *i.e.*, a major work which was not specifically provided for as a major work in the Estimates—either because no expenditure was anticipated, or because the expenditure was expected not to exceed Rs. 10,000. This information should be in the form of the following statement, separately for (1) original Works, Buildings—all sub-heads, (ii) Original Works, communications all sub-heads, (iii) Original Works, Miscellaneous—all sub-heads, and (iv) Tools and Plant, New Supplies:—

Serial number.	Service.	Grant.	Expenditure.	Balance.	
				Unexpended.	Excess.
		Rs.	Rs.	Rs.	Rs.
	I.—Major Works above Rs. 50,000, specifically provided for in the Estimates.				
	(*a*) Estimated to cost above Rs. 50,000.				
	(*To be detailed.*)				
	(*b*) Originally estimated to cost Rs. 50,000 or less, but now estimated or expected to cost above Rs. 50,000.				
	(*To be detailed.*)				
	II.—Unforeseen Major Works				
	(*To be detailed.*)				
	III.—Other Major Works . .				
	(*Collectively.*)				
	IV.—Minor Works . . .				
	(*Collectively.*)				
	Total .				

Net Savings/Excess Rs. ....

Foot-notes to be appended to each statement to give (i) further particulars in respect of each major work detailed individually under heads I and II in the statement and (ii) general explanation of variation between appropriation and expenditure, in respect of works included collectively under heads III and IV.

Example 1.—Total estimate Rs. 1,04,700; expenditure to 31st March 1925, Rs. 74,480; balance Rs. 30,220; in progress.

Example 2.—Total (revised) estimate Rs. 1,09,700; expenditure to 31st March 1925, Rs. 1,10,210; excess Rs. 510; in progress.

Example 3—Demands under this head were reduced as much as possible.
Example 4—There were no demands under this head.
Example 5—The original tenders were high. The scheme was accordingly revised, and it was not possible to commence work within the year. Re voted in the estimate for 1926 27
Example 6—Completed, further charges to come Total estimate, Rs. 6,68,750, expenditure to 31st March 1926, Rs 6,46 010, balance Rs 22,740
Example 7—Progress was slow owing to difficulty in obtaining supplies of materials The underspending was also, in part, due to reduced cost of labour Not completed A re vote was included in the estimate for 1926 27 Total (revised) estimate, Rs 7,90 000, expenditure to 31st March 1926, Rs 3 64 310, balance Rs 4,25 690
(*N B*—This proposal is a simplified modification of the procedure observed in Great Britain)

4 It is not a necessary corollary to Note 3 above that the procedure observed at present for detailing works in the budget estimates should also be amended, but the Government may like to reconsider it.

5 Detailed information similar to that suggested in Note 3 above for New Works is not necessary in respect of Repairs Works

6 Capital and Revenue accounts of residential buildings are published separately for each province These are fully detailed accounts and practically deal with each building of importance It is not therefore, considered desirable to append any special details in respect of the expenditure on such buildings and the rent realised to the appropriation account. If a collective review of the Capital and Revenue expenditure on Central residential buildings throughout India and the rent realised therefrom was desired it would be a separate question for consideration as means would first have to be devised for *consolidating the result brought out by the territorial accounts*

7 Nor is it proposed to append to the appropriation account any *pro forma* statements comparing the expenditure on the special and ordinary repairs on endowed monuments in cemeteries with the interest realised from the endowments In this case also territorial accounts are prepared annually for the information of Government, and the consolidation of all Central accounts for the whole of India would be necessary if it was desired even to have a general review

8 In respect of sub head 'G—Establishment', however, it seems necessary, in view of the peculiar system of the accounting of these charges in the Public Works Department to lay down that the results of distribution of these charges should be stated in the appropriation account in the form either of foot notes or of a simple statement

9 The suggestion in note 8 above applied *mutatis mutandis* to sub head 'H—Tools and Plant'

10 For sub head "J ... d to the appropriation account giving the op ... receipts and issues of the year, and a reviev ... verification

11. For sub head "J ... ps suffice if, in regard to the Suspense sub he ... ent is appended to the appropriation account ... liture on Deposit Works incurred in excess, or ... refor

12 It is not propose ... review of the balances of materials at site,

13 The last but one ... —Buildings' deals only with such losses of sto ... y Note 37 on page 176 Public Works Account ... under a distinct head Losses of stores, whicl ... orks, do not fall under this head In respect ... ng system of accounting is to lay down that th ... ill call attention, in the detailed notes to the other sub heads concerned, to all important losses which may have come to his notice

14 I ... "Reserve for unforeseen original works", as it i ... provided for the Grant for 'Civil Works' and pl ... idustries and Labour, Public Works Branch, is that ... vorks projects which are either unforeseen at the ... *ot sufficiently advanced to admit of their* inclusi ... ended that this reserve should be available (withoi ... ent) for expenditure on repairs, establishment, ... A decision on this point seems desirable.

15. I ... ure figure against sub head 'N—Reserve for unforeseen original works", will be *nil*, as the expenditure must be brought to account against the appropriate sub head, A B or C.

16 As the system of making in the demands for grants a lump sum deduction for 'probable savings' has been adopted in the case of some large demands for 1925-26, it is a question for the consideration of the Finance Department if such a deduction may not appropriately be made hereafter in the demands for Civil Works also In this connection, the following figures will be found interesting —

Year	Budget Estimate	Actuals
	Rs.	Rs.
1921 22	1,61,67,000	1,54 20,700
1922 23	1,52 08,000	1,24,81 040
1923 24	1,76,67,000	1,70,31,590
1924-25	2,06,50,000	1,93,97 000 (Revised Estimate).

LIST No. 51.

GRANT No. 68.—SUPERANNUATION ALLOWANCES AND PENSIONS—INCLUDING EXPENDITURE IN ENGLAND.

Payments in India.

A.—Superannuation and Retired Allowances;

B.—Compassionate Allowances;

C.—Gratuities;

D.—Indian Civil Service Family Pensions;

E.—Pensions payable in respect of the Bengal, Bombay (Provident Branch), and Madras Civil Funds;

F.—Pensions and Allowances payable in respect of other Provident Funds;

G.—Pensions, etc., under the War Risk Compensation Scheme;

H.—Commuted value of pensions:—

H. 1.—Paid to provincial Governments;
H. 2.—Paid to pensioners;

I.—Miscellaneous pensionary payments.

Payments in England.

J.—Superannuation and Retired Allowances:—

J. 1.—India Office and High Commissioner's Establishments;
J. 2.—High Court Judges;
J. 3.—Indian Civil Service;
J. 4.—Other Civil Services in India;

K.—Compassionate Allowances;

L.—Gratuities;

M.—Indian Civil Service Family Pensions;

N.—Pensions payable in respect of the Bengal, Bombay (Provident Branch), and Madras Civil Funds;

O.—Pensions and Allowances payable in respect of other Provident Funds;

P.—Pensions, etc., under the War Risk Compensation Scheme;

Q.—Commuted value of pensions, paid to pensioners;

R.—Miscellaneous pensionary payments.

S.—Loss or Gain by Exchange; and

T.—*Deduct* Pensionary charges transferred to accounts of commercial departments (To be detailed by departments).

NOTE.—It is not proposed to append to the appropriation account for this Grant, any *pro forma* accounts in respect of sub-heads D, E, F, M, N, and O, to show the results of the operations connected with the relevant funds. It is unlikely that such accounts will be desired by the Committee on Public Accounts, and any information that may be required can be found in the Review of Balances published annually.

LIST No 52

Grant No 69—Stationery and Printing, Including Expenditure in England and Loss or Gain by Exchange

Stationery Office and Stores, Calcutta

A—Stationery Office —
- A 1—Pay of Officers,
- A. 2—Pay of Establishments,
- A 3—Allowances, Honoraria, etc ,
- A 4—Customs duty on Stores,
- A 5—Supplies and Services,
- A 6—Contingencies,

B—Stationery Stores —
- B 1—Purchases in India —
  - B 1 (1)—Paper,
  - B 1 (2)—Typewriters, office machinery and accessories,
  - B 1 (3)—Other Stores,
- B 2—English charges (High Commissioner) at par, £1 = Rs 10 —
  - B 2 (1)—Paper,
  - B 2 (2)—Printing Stores,
  - B 2 (3)—Other Stores,
- B 3—Loss (or Gain) by Exchange on B 2 above

Central Printing Office

C—Central Printing Office —
- C 1—Pay of Officers and Establishments,
- C 2—Allowances and Contingencies
- C 3—Outside Printing (including Lithography)

Central Forms Store

D—Central Forms Store —
- D 1—Pay of Officers and Establishments,
- D 2—Payments for printing forms by contract,
- D 3—Expenditure on Forms Press (temporary);
- D 4—Postage and Telegram charges,
- D 5—Other Supplies and Services,
- D 6—Contingencies,

Central Publication Branch

E—Central Publication Branch —
- E 1—Pay of Manager and Establishment,
- E 2—Postage and Packing charges,
- E 3—Supplies and Services,
- E 4.—Contingencies
- E 5—English charges (High Commissioner) on publications purchased, at par £1 = Rs 10,
- E 6—Loss (or Gain) by Exchange on E 5 above

Government of India Press, Calcutta.

F.—Press:—

F. 1.—Pay of Officers;

F. 2.—Pay of Establishments:—

F. 2 (1).—Operatives;
F. 2 (2).—Branch Supervision;
F. 2 (3).—Auxiliary;
F. 2 (4).—Readers;
F. 2 (5).—Standing Formes;
F. 2 (6).—Other Establishments;

F. 3.—Allowances;
F. 4.—Contingencies.
F. 5.—Additions to Plant and Machinery;
F. 6.—Supplies and Services;
F. 7.—Stores;
F. 8.—Provisions for Depreciation—for payment into Depreciation Fund;
F. 9.—Renewals and Replacement from Depreciation Fund;
F. 10.—*Deduct* Amount transferred from Depreciation Fund;

G.—Mechanical Section:—

(with such of the details—F. 1 to F. 10 above—as may be found necessary from time to time.)

H.—Type Foundry Section:—

(with such of the details—F. 1 to F. 10 above—as may be found necessary from time to time.)

Government of India Press, Delhi.

I.—Press:—

I. 1.—Pay of Officers;

I. 2.—Pay of Establishments:—

I. 2 (1).—Operatives;
I. 2 (2).—Branch Supervision;
I. 2 (3).—Auxiliary;
I. 2 (4).—Readers;
I. 2 (5).—Standing Formes;
I. 2 (6).—Other Establishments;

I. 3.—Allowances;
I. 4.—Contingencies;
I. 5.—Additions to Plant and Machinery;
I. 6.—Supplies and Services;
I. 7.—Stores;
I. 8.—Provision for Depreciation—for payment into Depreciation Fund;
I. 9.—Renewals and Replacement from Depreciation Fund;
I. 10.—*Deduct* Amount transferred from Depreciation Fund;

J.—Mechanical Section:—

(with such of the details—F. 1 to F. 10 above—as may be found necessary from time to time);

K.—Type Foundry Section:—

(with such of the details—F. 1 to F. 10 above—as may be found necessary from time to time);

L.—Private Secretary to His Excellency the Viceroy's Press.

Government of India Press, Aligarh

M —Press —

M 1 —Pay of Officers,

M 2 —Pay of Establishments,—

M 2 (1) —Operatives,

M 2 (2) —Branch Supervision

M 2 (3) —Auxiliary,

M 2 (4) —Readers,

M 2 (5) —Standing Formes

M 2 (6) —Other Establishments,

M 3 —Allowances,

M 4 —Contingencies

M 5 —Additions to Plant and Machinery,

M 6 —Supplies and Services

M 7 —Stores,

M 8 —Provision for Depreciation—for payment into Depreciation Fund

M 9 —Renewals and replacement from Depreciation Fund,

M 10 —*Deduct* Amount transferred from Depreciation Fund,

N —Mechanical Section —

(with such of the details—F 1 to F 10 above—as may be found necessary from time to time),

O —Type Foundry Section —

(with such of the details—F 1 to F 10 above—as may be found necessary from time to time)

Government of India Press Simla

P —Press —

P 1 —Pay of Officers,

P 2 —Pay of Establishments —

P 2 (1) —Operatives

P 2 (2) —Branch Supervision,

P 2 (3) —Auxiliary,

P 2 (4) —Readers,

P 2 (5) —Standing Formes

P 2 (6) —Other Establishments,

P 3 —Allowances

P 4 —Contingencies

P 5 —Additions to Plant and Machinery,

P 6 —Supplies and Services,

P 7 —Stores

P 8 —Provision for Depreciation—for payment into Depreciation Fund,

P 9 —Renewals and Replacement from Depreciation Fund,

P 10 —*Deduct* Amount transferred from Depreciation Fund,

Q —Mechanical Section —

(with such of the details—F 1 to F 10 above—as may be found necessary from time to time)

R —Type Foundry Section —

(with such of the details—F 1 to F 10 above—as may be found necessary from time to time),

S —Printing Presses—Minor Provinces or Political Agencies (If desired, this can be sub divided into as many sub heads as the number of presses),

T.—Charges paid to provincial Governments for printing work done at their presses:—

T. 1.—Bombay;

T. 2.—Bengal;

T. 3.—Burma;

T. 4.—Other provinces;

U.—Charges paid to provincial Governments for Stationery received from their stores;

V.—Expenditure in England (other than charges included in B. 2 and E. 5 above):—

V. 1.—Stationery, printing, and book-binding for the India Office:—

V. 1 (1).—Gross Expenditure;

V. 1 (2).—*Deduct* Share recovered from the British Government, as part of the contribution towards the cost of the India Office;

V. 2.—Stationery, printing, and book-binding for High Commissioner's Office;

V. 3.—Leave Salaries, etc.;

W.—Loss or Gain by Exchange;

X.—*Deduct* Recoveries:—

X. 1.—Cost of Stationery chargeable to the North-West Frontier Province;

X. 2.—Cost of stationery chargeable to provincial Governments:—

X. 2 (1)—Bengal;

X. 2 (2).—United Provinces;

X. 2 (3).—Punjab;

X. 2 (4).—Central Provinces;

X. 2 (5).—Assam;

X. 2 (6).—Coorg;

X. 3.—Cost of printing work done (including Stationery Stores):—

X. 3 (1).—Posts and Telegraphs;

X. 3 (2).—Railways (Bengal-Nagpur Railway, and offices of the Railway Board and the Accountant-General Railways);

X. 3 (3).—Military Department;

X. 3 (4).—Other Central Departments;

X. 3 (5).—Provincial Governments.

NOTES.—1. Under F, I, M, and P, an additional sub-head "Works" should be opened when necessary. Sub-heads F.-5, F.-9, G.-5, G.-9, H.-5, H.-9, I.-5, I.-9, J.-5, J.-9, K.-5, K.-9, M.-5, M.-9, N.-5, N.-9, O.-5, O.-9, P.-5, P.-9, Q.-5, Q.-9, R.-5 and R.-9, for "Additions to Plant and Machinery" and "Renewals and Replacement from Depreciation Fund" should be dealt with in the same way as "Works" sub-heads, for the purpose of detailing the actual expenditure in the explanatory Notes appended to the appropriation account.

2. A separate sub-head has not been provided for "Printing at Private Presses, and Lithography" which is brought to account mostly on the Punjab books in connection with the printing work done locally for the office of the Accountant General, Punjab. The arrangement is presumably a temporary one, and at the suggestion of the Controller of Printing, this item of expenditure has been included in sub-head C.-3 for the Central Printing Office.

3. In the appropriation account, F.-8 and F.-10 and similar sub-heads for "Provision for Depreciation—for payment into Depreciation Fund" and "*Deduct* Amount transferred from Depreciation Fund", should be supported by a simple statement showing, in respect of each Press, the operations of the year connected with the Depreciation Fund, *viz.*, the opening balance of the fund, the amount credited to it as the depreciation for the year (with the calculation on which the credit is based), the amount credited to it as the book value of plant, etc., disposed of during the year, the transferred from the fund made during the year to meet the cost of renewals and replacements (with particulars of the works), and the closing balance of the fund.

4 Sub head Q —*Deduct* Recoveries ' is incomplete to the extent that recoveries made in cash are not included herein the reason being that such recoveries (whether on account of sales to Railways which are large r on account of other sales are treated as receipts in the accounts The following statistics will give some idea of the volume of the figures excluded from this sub head —

—	192 2	1922 23	1923 24
	Rs	Rs	Rs
Receipts from sale of Stationery . .	5 6,180	12,10 180	8,51 570
Sales of Gazettes and other publications	1 60 043	2,2[illegible] 640	2 61,[illegible]30
Other Press receipts etc (deducting refunds) .	1 7 693	[illegible] 67 745	2 19 727
Sale of publications in England . .	18 [illegible]08	17 557	9 4[illegible]8
Total .	8 77 133	17 19 131	13 44 36[illegible]

In order to exhibit to what extent all amounts recoverable from the different Governments Departments etc have actually been recovered during the year—*i e* to what extent the expenditure brought to account during the year remains uncovered and is thus expenditure not strictly within the scope of the voted grant—a simple statement showing the progress of realisation should be obtained from the Department and appended to the appropriation account A sample form is attached The outstanding balances should be explained in foot notes

5 For each of the following organisations a Store Account in suitable form should be appended to the appropriation account —

(*a*) Stationery Stores

(*b*) Central Publication Branch

(*c*) Each of the major printing presses—*viz*, those at Calcutta Delhi, Aligarh and

[illegible] separately *for paper Typewriters Publications*, an[illegible] s des the opening and closing balances they sh[illegible] en purchase prices and freight and other incidental charges) as well as issues on payment value of issues made free in the case of publications only) and values lost or written off Losses and writes-off should be explained in foot notes

6 For the Central Forms Stores where only quantity stock accounts are maintained it is perhaps unnecessary to append any Store Account to the appropriation account.

7 It seems desirable further to append to the appropriation account for this Grant *pro forma* trading accounts of the Stationery Stores and of each of the printing presses so that the operations of the several organ sations may be exhibited in their commercial aspect The forms recently devised for the purpose of the administrative reports of the department can be utilised provisionally for this purpose

8 If the classification of this Grant as proposed above is approved it will be necessary *to make certain consequential alterations in the form of the Demand for this Grant i e*, in the first statement the total provision will have to be detailed according to this classification and not by circles of account

9 It will be noticed that the proposed classification of this Grant is somewhat different in plan from the prescribed classification of the major head 46 —Stationery and Printing" into minor heads. It is understood that the Controller desires to make a few other alterations All these questions will be taken up when the list of sub heads is being determined finally on receipt of the orders of Government on the Report

Statement showing progress of realization of value of stores and publications sold and printing work done

—	Sale of Stationery Stores	Sale of Publications (on [illegible])	[illegible]
	Rs	Rs	Rs
Unrealised balances on 1st April . . .			
Issues during the year . .			
Total .			
Recoveries made during year—			
Cash recoveries treated as "Receipts" .			
Book adjustments treated as "M[illegible] expenditure" . . .			
Total			
Unrealised balance on 31st March . . .			

LIST No. 53.

Grant No. 70.—Miscellaneous.

A.—Allowances, Rewards, etc. :—

A. 1.—Durbar presents and allowances to Vakils, Aden;
A. 2.—Durbar presents and allowances to Vakils, elsewhere;
A. 3.—Other charges;

B.—Books and Periodicals :—

B. 1.—Reuter's Agency, and Indian News Agency;
B. 2.—Other charges;

C.—Donations for charitable purposes, and charges on account of European Vagrants;

D.—Special Commissions of Enquiry;

(The more important ones, *e.g.*, the International Labour Conference, the Tariff Board, the Taxation Enquiry Committee, and the Civil Justice Committee, to be severally detailed, and three sub-heads—1. Pay of Officers and Establishments; 2. Travelling Expenses; and 3. Other Expenses—to be provided in respect of each, and the rest to be lumped under a sub-head "Other Commissions and Committees", also divided into three items as above);

E.—Compensations :—

E. 1.—Quit rent for the lease of the province of Berar, payable to His Exalted Highness the Nizam of Hyderabad;
E. 2.—Other Compensations;

F.—Rents, Rates, and Taxes on Central Buildings in Simla;

G.—Grants-in-Aid;

H.—Local Clearing Office :—

H. 1.—Pay of Officers;
H. 2.—Pay of Establishments;
H. 3.—Allowances, Honoraria, etc.;
H. 4.—Contingencies;

I.—Indian Soldiers' Board :—

I. 1.—Pay and Allowances;
I. 2.—Other Expenses;

[Between I and J should be detailed other temporary organisations of special objects of expenditure, *e.g.*, Royal Visits. A special sub-head should be assigned to each, and it should be divided into (1) Pay of Officers; (2) Pay of Establishments; (3) Allowances, Honoraria, etc., and (4) Other Expenses, or other suitable heads.]

J.—Unforeseen Charges;

K.—Other charges (including loss by exchange on local transactions);

L.—Reserve.

Notes.—1. Any procedure that may be prescribed in respect of [illegible] will not apply to sub-head C, as, like expenditure on famine relief, th[illegible] to account under this sub-head is service expenditure under the control of [illegible] and subject to the ordinary requirements of audit.

2. Sub-head D "Special Commissions, etc." of the appropriation account should be supported by (1) a statement of progressive expenditure on those committees, etc., on which there was expenditure in previous years also, and (2) a footnote stating the details of the expenditure accounted for under the lumped sub-division "Other Commissions and Committees".

3. Similar information should be appended in respect of those sub-heads (H., I., etc.) which deal with special or temporary schemes or objects of expenditure, the progressive expenditure incurred being compared with the total estimated cost, if known.

4 The notes appended to sub head J Unforeseen charges of the appropriation account should be fully explanatory the object being to indicate—

(1) not only the items of expenditure originally provided for under this sub-head, but ultimately accounted for under a different but appropriate sub-head

(2) but also all important items of expenditure (say those costing above Rs 10 000) which are accounted for under this sub head

5. As 'Miscellaneous and Unforeseen Charges is a regular minor head of the expenditure accounts classification it is suggested that the usual reserve which is placed at the disposal of the Finance Department should be shown in the Estimates under a distinct sub-head (L—Reserve) to be opened for the purpose and not under the ordinary sub head for unforeseen charges to be accounted for as such

LIST No. 54

Grant No 71—Adjustments with Provincial Governments.

A—
B—
C—
etc—
} A sub head for each provincial Government

Notes—1 In the appropriation account there should be a separate sub-head for each Government—

(a) if the sanctioned demand included any payment to be made to it or

(b) if though no provision was made in the sanctioned demand a payment was actually made to the provincial Government

2 Each expenditure item falling within the scope of this Grant represents a distinct liability and has usually no connection with other expenditure items of the Grant It appears necessary therefore to lay down that variations between the amount adjusted and that provided for in the Grant should be explained in respect of *all* items falling under each sub head so that not only may the excesses and savings of sanctioned items be explained but new items of expenditure may also be mentioned specifically even though there be no variation under the sub head to explain Unless this be done the Legislature will have no opportunity of reviewing new items nor would the Committee on Public Accounts be able to satisfy itself always in the words of the statutory rule that the money voted has been spent within the scope of the grant voted by the Assembly

LIST No. 55

Grant No. 72—Refunds.

A.—Customs—Refunds and Drawbacks —
- A. 1—Sea Customs, Imports—Sugar,
- A. 2—Super Tax Refunds,
- A 3—Sea Customs, Imports—Machinery,
- A. 4—Sea Customs, Imports—Other heads,
- A 5—Sea Customs, Exports—Rice,
- A 6—Sea Customs, Exports—Other heads,
- A 7—Land Customs, Imports and Exports,
- A 8—Excise Duty on Cotton Manufactures,
- A 9—Excise Duty on Motor Spirit,
- A. 10—Other heads,

B—Taxes on Income—Refunds —
- B 1—Income Tax Refunds,
- B 2—Super Tax Refunds,

C—Salt Refunds,

D—Stamp Refunds —
- D 1—Non-Judicial,
- D 2—Judicial,

E—Currency Refunds —
- E 1—Refunds of value of old currency notes,
- E 2—Other Refunds,

F—Refunds of Receipts in Aid of Superannuation,

G.—Refunds of "XXXV.—Miscellaneous" Revenue;

H.—Other Refunds of Revenue—

(A sub-division for each receipt major head as required; th for major heads "XIII" and "XIV" may be subdivi according to their accounts classification prescribed in App dix 7 to the Audit Code* if the *amounts* involved just such division).

NOTE.—It is a question for the consideration of the Finance Department if all refu of revenue are at present duly *provided for in a voted or non-voted grant, as the* may be.—For instance, refunds of irrigation revenue, and refunds of stamp revenue not appear either in the all-India Refunds Grant, or in the subject grants concer (Irrigation and Stamps).

LIST No. 56.

GRANT No. 73.—NORTH-WEST FRONTIER PROVINCE.

Sub-heads.

I.—Direct Demands on the Revenue—Land Revenue.

II.—Direct Demands on the Revenue—Forest.

III.—Other Direct Demands on the Revenue.

IV.—General Administration.

V.—Administration of Justice.

VI.—Jails and Convict Settlements.

VII.—Police.

VIII.—Ecclesiastical.

IX.—Political.

X.—Education.

XI.—Medical.

XII.—Public Health.

XIII.—Agriculture, Scientific Departments, and Miscellaneous Depar ments.

XIV.—Superannuation Allowances and Pensions.

XV.—Stationery and Printing.

XVI.—Miscellaneous.

XVII.—Refunds of Revenue.

ACCOUNT I.—DIRECT DEMANDS ON THE REVENUE—LAND REVENUE.

A.—Charges of Administration;

B.—Survey and Settlement:—

B. 1.—Pay of Officers;
B. 2.—Pay of Establishments;
B. 3.—Allowances, Honoraria, etc.;
B. 4.—Supplies and Services;
B. 5.—Contingencies;

C.—Land Records:—

C. 1.—Pay of Establishments;
C. 2.—Allowances, Honoraria, etc.;
C. 3.—Supplies and Services, and Contingencies;

D.—Miscellaneous.

---

* At present the amounts are insignificant.

ACCOUNT II—DIRECT DEMANDS ON THE REVENUE—FOREST.

A—General Direction—Share of the cost of the Chief Conservator, payable to the Punjab Government,

B—Conservancy and Works,

C—Establishments

ACCOUNT III—OTHER DIRECT DEMANDS ON THE REVENUE

A—Excise—
A 1—District Establishment
A 2—Cost of Opium supplied to Excise Department,

B—Stamps,

C—Registration,

ACCOUNT IV—GENERAL ADMINISTRATION.

A—Chief Commissioner—
A 1—Salary and fixed travelling allowance,
A. 2—Sumptuary Allowance
A 3—Staff and Household—Pay of Officers and Establishments
A 4—Staff and Household—Other charges,
A 5—Tour Expenses,

B—Secretariat—
B 1—Pay of Officers
B 2—Pay of Establishments,
B 3—Allowances, Honoraria etc,
B 4—Supplies and Services, and Contingencies,

C—Local Fund Audit charges—payable to the Audit Department,

D—Revenue Commissioner—
D 1—Pay of Officers,
D 2—Pay of Establishments,
D 3—Other charges,

E—District Establishment—
E 1—Pay of Officers
E 2—Pay of General Establishments,
E 3—Pay of Treasury Establishments,
E 4—Pay of sub divisional Establishments,
E 5—Pay of other Establishments,
E 6—Travelling Allowances,
E 7—Other Allowances, Honoraria, etc,
E 8—Supplies and Services,
E 9—Works,
E 10—Contract Contingencies,
E 11—Other Contingencies,

ACCOUNT V—ADMINISTRATION OF JUSTICE.

A.—Law Officers (Fees to Pleaders, and other charges),

B—Judicial Commissioner—
B 1—Pay of Officers
B 2—Pay of Establishments,
B 3—Other charges,

C—Civil and Sessions Courts—
C 1—Pay of Officers
C 2—Pay of Establishments,
C 3—Allowances, Honoraria, etc,
C 4—Contingencies,

D.—Criminal Courts:—
- D. 1.—Pay of Establishment;
- D. 2.—Section writing charges;
- D. 3.—Allowances, Honoraria, etc.;
- D. 4.—Diet and road money of witnesses;
- D. 5.—Expenses of Jirgas;
- D. 6.—Other Contingencies;

Account VI.—Jails and Convict Settlements.

A.—Jails:—
- A. 1.—Pay of Officers;
- A. 2.—Pay of Establishments;
- A. 3.—Allowances, Honoraria, etc.;
- A. 4.—Dietary charges:
- A. 5.—Clothing and bedding charges, medical and hospital equipment, and other supplies and services;
- A. 6.—Works;
- A. 7.—Contingencies;
- A. 8.—Charges paid to other Governments for maintenance of prisoners;

B.—Jail Manufacture.

Account VII.—Police.

A.—Superintendence:—
- A. 1.—Pay of Officers;
- A. 2.—Pay of Establishments;
- A. 3.—Other charges;

B.—District Executive Force—District Police:—
- B. 1.—District Superintendents and Assistants;
- B. 2.—Police Force;
- B. 3.—Mounted Police:
- B. 4.—Office Establishment;
- B. 5.—Travelling Allowance;
- B. 6.—Other Allowances, Honoraria, etc.;
- B. 7.—Works;
- B. 8.—Clothing;
- B. 9.—Arms and Ammunition;
- B. 10.—Other Supplies and Services;
- B. 11.—Contingencies;
- B. 12.—Grant-in-Aid to the Punjab Government towards the expenses of the Police Training School and Finger Print Bureau at Phillaur;
- B. 13.—*Deduct* Establishment charges, etc., recovered from other Governments, Departments, etc. (Posts and Telegraphs);

C.—*Deduct* Cost of additional police imposed under Act V of 1861, to be met out of the General Police Fund;

D.—Special Police (Frontier Constabulary):—
- D. 1.—Pay of Commandant and other Officers;
- D. 2.—Police Force;
- D. 3.—Mounted Force;
- D. 4.—Office Establishment;
- D. 5.—Travelling Allowance;
- D. 6.—Ration Allowance;
- D. 7.—Other Allowances, Honoraria, etc.;
- D. 8.—Clothing;
- D. 9.—Arms and Ammunition;
- D. 10.—Other Supplies and Services;
- D. 11.—Contingencies;

E.—Railway Police —

- E 1—Pay of Officers,
- E 2—Pay of Establishments,
- E 3.—Allowances, Honoraria, etc ,
- E 4—Supplies and Services, and Contingencies,

F—Criminal Investigation Department (including Intelligence Bureau) —

- F 1—Pay of Officers,
- F 2—Police Force,
- F 3—Office Establishment,
- F 4—Allowances, Honoraria, etc ,
- F 5—Secret Charges,
- F 6—Other Charges,

G—Cattle Pounds

Account VIII —Ecclesiastical.

A.—Ecclesiastical Establishments —

- A 1—Church of England—Pay of Chaplains, etc
- A 2—Church of England—Other charges,
- A 3—Church of Scotland,
- A. 4—Church of Rome,

B—Cemetery Establishment,

C—Grants in Aid (whenever necessary),

Account IX —Political.

A.—Political Agents —

- A 1—Pay of Officers,
- A 2—Pay of Establishments,
- A 3—Allowances, Honoraria, etc ,
- A. 4—Supplies and Services,
- A. 5—Secret Expenses,
- A. 6—Contingencies,
- A 7—Works (when necessary)

B—Watch and Ward trans frontier (North-West Frontier):—

- B 1—S W Scouts —
  - B 1 (1)—Pay of Officers
  - B 1 (2)—Pay of Establishments
  - B 1 (3)—Allowances, Honoraria, etc
  - B 1 (4)—Supplies and Services
  - B 1 (5)—Contingencies
- B 2.—Chitral Scouts —
  - B 2 (1)—Pay of Officers
  - B 2 (2)—Pay of Establishments
  - B 2 (3)—Allowances, Honoraria, etc
  - B 2 (4)—Supplies and Services
  - B 2 (5)—Contingencies
- B 3.—Charges for Levies —
  - B 3 (1)—Pay of Officers
  - B 3 (2)—Pay of Establishments,
  - B 3 (3)—Allowances, Honoraria, etc
  - B 3 (4)—Supplies and Services
  - B. 3 (5)—Contingencies

B. 4.—Kurram Militia:—
B. 4 (1).—Pay of Officers;
B. 4 (2).—Pay of Establishments;
B. 4 (3).—Allowances, Honoraria, etc.;
B. 4 (4).—Supplies and Services;
B. 4 (5).—Contingencies;

B. 5.—Tochi Scouts:—
B. 5 (1).—Pay of Officers;
B. 5 (2).—Pay of Establishments;
B. 5 (3).—Allowances, Honoraria, etc.;
B. 5 (4).—Supplies and Services;
B. 5 (5).—Contingencies;

B. 6.—Inspecting Officer, Frontier Corps;
B. 7.—Allowances to Tribes;

C.—Political Subsidies;

D.—Entertainment charges;

E.—Refugees and State Prisoners—Kabul Refugees;

F.—Miscellaneous.

(When any unusual charges, *e.g.*, expenditure in connection with the Anglo-Afghan Joint Commission fall under this sub-head, the sub-head should be broken up, so as to show such charges separately from other expenditure).

Account X.—Education.

A.—University—Government Professional Colleges (Training College):—
A. 1.—Pay of Officers and Establishments;
A. 2.—Allowances and Stipends;
A. 3.—Purchase of furniture, apparatus, and books;
A. 4.—Contingencies;

B.—University—Grants-in-Aid to non-Government Colleges;

C.—Secondary (Government High Schools):—
C. 1.—Pay of Officers;
C. 2.—Pay of Establishments;
C. 3.—Allowances, Stipends, Honoraria, etc.;
C. 4.—Supplies and Services, and Contingencies;

D.—Grants-in-Aid to non-Government Secondary Schools;

E.—Primary:—
E. 1.—Recurring Grants-in-Aid to Local Bodies;
E. 2.—Non-recurring Grants-in-Aid to Local Bodies;

F.—Special—Government Special Schools (if necessary);

G.—General:—
G. 1.—Direction;
G. 2.—Inspection,
G. 3.—Scholarships;
G. 4.—Miscellaneous.

Account XI.—Medical.

A.—Medical Establishment:—
A. 1.—Pay of Chief Medical Officer, Surgeons, and Assistant Surgeons;
A. 2.—Pay of Sub-Assistant Surgeons, and other establishments;
A. 3.—Allowances, and Contingencies;

B —Hospital and Dispensaries —

B 1 —Pay of Assistant Surgeons,
B 2 —Pay of Sub Assistant Surgeons, and other establishments,
B 3 —Allowances, Honoraria, etc ,
B 4 —Cost of medicines, and diet of patients,
B 5 —Other Expenses,
B 6 —Grants in Aid to Hospitals and Dispensaries,
B 7 —*Deduct* Amounts recovered from Local Bodies,

C —Grants for medical purposes (whenever necessary),

D —Medical Schools and Colleges (including scholarships, and share of the cost of King Edward Medical School and College, payable to the Punjab Government)

ACCOUNT XII —PUBLIC HEALTH.

A.—Public Health Establishment —

A 1 —Pay of Officers,
A. 2 —Other charges,

B —Grants in Aid for Public Health purposes,

C —Public Health—Expenses in connection with epidemic diseases —

C 1 —Pay and Allowances of Officers and Establishments,
C 2 —Medical and other expenses

ACCOUNT XIII —AGRICULTURE, SCIENTIFIC DEPARTMENTS, AND MISCELLANEOUS DEPARTMENTS.

A.—Agriculture—Experimental Farms —

A. 1 —Pay and Allowances of Superintendent and Establishments,
A. 2 —Other Expenses,

B —Agricultural Experiments,

C —Botanical and other Public Gardens,

D —Agriculture—Public Exhibitions and Fairs,

E —Veterinary Charges—Subordinate Establishments,

F —Veterinary Charges—Hospitals and Dispensaries,

G —Contribution to the Punjab Government for the cost of Joint Veterinary Department,

H —*Deduct* Veterinary Charges recovered from District Funds,

I —Museum—Establishment and other expenses,

J —Census (when necessary, unless it be decided to include the Census charges of all areas in the centrally controlled subject grant for Census),

*K —Provincial Statistics, and other Miscellaneous Departments,
(*Note* —As the list seems to vary the Departments may be named).

ACCOUNT XIV —SUPERANNUATION ALLOWANCES AND PENSIONS.

A.—Superannuation and Retired Allowances,

B —Other Allowances and Pensions,

C —*Deduct* Pensions chargeable to irrigation works.

* N B —Whenever this sub-head includes any [illegible] charges, separate sub-head should be provided therefor

ACCOUNT XV.—STATIONERY AND PRINTING.

A.—Government Presses:—

A. 1.—Gross charges;

A. 2.—*Deduct* Cost paper, etc., recovered from other departments;

B.—Printing at private presses;

C.—Lithography;

D.—Stationery supplied from Central Stores.

ACCOUNT XVI.—MISCELLANEOUS.

A.—Petty Establishments;

B.—Durbar presents and allowances to Vakils;

C.—Donations for charitable purposes, and charges on account of European Vagrants;

D.—Grants-in-Aid;

E.—Unforeseen charges;

(NOTE.—Not to include Grants-in-Aid).

F.—Other charges.

ACCOUNT XVII.—REFUNDS OF REVENUE.

A.—
B.—
C.—
etc.— } A sub-head for each revenue major head, as required.

NOTES.—1. The appropriation account of this Grant should consist of (i) a general account giving the totals for each of the proposed sub-heads, and (ii) a separate account, detailed as indicated above, for each sub-head.

2. The appropriation account will continue to be prepared by the Accountant General, Punjab, so long as he is the audit officer, but it will be incorporated in the book of appropriation accounts for central civil expenditure compiled by the Accountant General, Central Revenues.

3. No provision has been made, in the above classification, for the expenditure major heads "35—Industries" and "43—Famine Relief". This will be necessary only when there is expenditure under these heads.

4. At present provision for "Refunds of Revenue" is not detailed in the Estimates. If the sub-division proposed for Account XVII is approved of, the necessary details will have to be given in the demands.

LIST No. 57.

GRANT No. 74.—BALUCHISTAN.

Sub-heads.

I.—Direct Demands on the Revenue—Land Revenue;

II.—Other Direct Demands on the Revenue;

III.—General Administration;

IV.—Administration of Justice;

V.—Jails and Convict Settlements;

VI.—Police;

VII.—Ecclesiastical;

VIII.—Political;

IX.—Education;

X.—Medical and Public Health;

XI.—Agriculture, Scientific Departments, and Miscellaneous Departments;

XII.—Miscellaneous.

XIII.—Refunds of Revenue.

ACCOUNT I —DIRECT DEMANDS ON THE REVENUE—LAND REVENUE.

A.—Charges of Administration —
- A 1 —Pay of Establishments,
- A 2 —Allowances, Honoraria, etc ,
- A 3 —Other charges,

B —Land Records —
- B 1 —Pay of Establishments,
- B 2 —Other charges,

C —Miscellaneous

ACCOUNT II —OTHER DIRECT DEMANDS ON THE REVENUE.

A.—Excise,

B —Forest,

C —Registration

ACCOUNT III —GENERAL ADMINISTRATION.

A —District Establishment—Treasury Establishment,

B —District Establishment—Other Establishments —
- B 1 —Pay of Establishment,
- B 2 —Allowances, Honoraria, etc ,
- B 3 —Works,
- B 4 —Grants in Aid,
- B 5 —Staging and encamping ground contingencies,
- B 6 —Other contingencies,
- B 7 —*Deduct* Contribution towards the pay of the Arboriculture Overseer, Quetta

ACCOUNT IV —ADMINISTRATION OF JUSTICE.

A.—Law Officers (Fees to Pleaders),

B —Civil and Sessions Courts,

C —Criminal Courts

ACCOUNT V —JAILS AND CONVICT SETTLEMENTS.

A.—Jails —
- A. 1 —Pay of Officers and Establishments,
- A. 2 —Allowances, Honoraria, etc ,
- A. 3 —Dietary, Clothing and bedding charges, and other supplies and services,
- A. 4 —Contingencies and miscellaneous charges,

B —Jail Manufacture

ACCOUNT VI —POLICE.

A.—District Executive Force—District Police —
- A 1 —District Superintendents and Assistants,
- A. 2 —Police Force,
- A. 3 —Mounted Police,
- A. 4 —Office Establishment,
- A. 5 —Travelling Allowance,
- A. 6 —Other Allowances, Honoraria, etc.,
- A. 7 —Works,
- A. 8.—Clothing,
- A. 9 —Arms and Ammunition,
- A. 10 —Other Supplies and Services,

A. 11.—Contingencies;
A. 12.—Contribution to the Punjab Government towards the expenses of the Police Training School, Phillaur;

B.—District Executive Force—Other Police—Pay, Allowances, and Expenses;

C.—*Deduct* Cost of additional police imposed under Act V of 1861, to be met out of the General Police Fund.

D.—*Deduct* Probable savings.

ACCOUNT VII.—ECCLESIASTICAL.

A.—Ecclesiastical Establishments:—
A. 1.—Church of England—Chaplains, etc.;
A. 2.—Church of England—Other charges;

B.—Cemetery Establishment;

C.—Grants-in-Aid (whenever necessary).

ACCOUNT VIII.—POLITICAL.

A.—Political Agents:—
A. 1.—Pay of Officers;
A. 2.—Pay of Establishments;
A. 3.—Allowances, Honoraria, etc.;
A. 4.—Supplies and Services;
A. 5.—Secret Expenses;
A. 6.—Contingencies;
A. 7.—Works (when necessary);
A. 8.—*Deduct* Charges recovered from other Governments, Departments, etc.

B.—Watch and Ward Trans-Frontier (North-West Frontier);
B. 1.—Charges for Levies:—
B. 1 (1).—Chagai;
B. 1 (2).—Sibi;
B. 1 (3).—Quetta-Pishin;
B. 1 (4).—Kalat;
B. 1 (5).—Loralai;
B. 1 (6).—Zhob;
B. 1 (7).—Others;
B. 1 (8).—*Deduct* Recoveries;
B. 2.—Zhob Levy Corps:—
B. 2 (1).—Pay of Officers;
B. 2 (2).—Pay of Establishments;
B. 2 (3).—Allowances, Honoraria, etc.;
B. 2 (4).—Supplies and Services;
B. 2 (5).—Contingencies;
B. 3.—Mekran Levy Corps:—
B. 3 (1).—Pay of Officers;
B. 3 (2).—Pay of Establishments;
B. 3 (3).—Allowances, Honoraria, etc.;
B. 3 (4).—Supplies and Services;
B. 3 (5).—Contingencies;

C.—Political Subsidies—Subsidy and Contribution to the Khan of Kalat;

D.—Entertainment of Envoys and Chiefs;

E.—Refugees and State Prisoners;

F.—Miscellaneous.

Account IX.—Education.

A.—Government Secondary Schools —

- A. 1.—Pay of Officers and Establishments,
- A. 2.—Other charges,

B.—Grants in Aid to non Government Secondary Schools,

C.—Government Primary Schools —

- C. 1.—Pay of Establishments,
- C. 2.—Other charges,

D.—Grants in Aid to non Government Primary Schools,

E.—Government Special Schools,

F.—Grants in Aid to non Government Special Schools,

G.—General —

- G. 1.—Inspection,
- G. 2.—Scholarship,
- G. 3.—Miscellaneous

Account X.—Medical and Public Health.

A.—Medical Establishment —

- A. 1.—Civil Surgeons, Assistant Surgeons, and office establishment,
- A. 2.—Allowances, and Contingencies,

B.—Hospital and Dispensaries —

- B. 1.—Duty Allowance to Civil Surgeon, and Pay of E[illegible] ments,
- B. 2.—Allowances, Honoraria, etc.,
- B. 3.—Cost of medicines and diet of patients,
- B. 4.—Furniture and apparatus,
- B. 5.—Other Expenses,
- B. 6.—Grants in Aid to Hospitals and Dispen[illegible]
- B. 7.—*Deduct* Amount recovered from the [illegible] Rail-way and Nushki Town Fund,

C.—Lunatic Asylum—Office expenses and [illegible]

D.—Public Health Establishment—Pay, Allow[illegible],

E.—Grants in Aid for Public Health p[illegible]

F.—Public Health—Expenses in connection [illegible] (w[illegible]ever necessary)

Account XI.—Agriculture, Scienti[illegible] Departme[illegible]

A.—Agriculture—Experimental F[illegible]

B.—Agriculture—Public Exhib[illegible] Quetta Horse Show,

C.—Veterinary Charges —

- C. 1.—Superinten[illegible]
- C. 2.—Subordinate [illegible]
- C. 3.—Hospital [illegible]

D.—Museum —

- D. 1.—Estab[illegible]
- D. 2.—Gra[illegible]

E.—Exploration of C[illegible]

F.—Census (when necessary, unless it be decided to include the Census charges of all areas in the centrally controlled subject grant for Census);

G.—Provincial statistics, and other miscellaneous departments (to be named).

Account XII.—Miscellaneous.

A.—Miscellaneous Compensations:—

A. 1.—Quit rents;
A. 2.—Other Compensations;

B.—Durbar presents and allowances to Vakils;

C.—Donations for charitable purposes, and charges on account of European Vagrants;

D.—Grants-in-Aid;

E.—Unforeseen charges;

(Note.—Not to include Grants-in-Aid).

F.—Other charges.

Account XIII.—Refunds of Revenue.

A.—
B.—
C.—
&c.
} A subhead for each revenue major head, as required.

Notes.—1. The appropriation account of this Grant should consist of (i) a general account giving the totals for each of the proposed sub-heads, and (ii) a separate account, detailed as indicated above, for each sub-head.

2. No provision has been made, in the above classification, for the expenditure major heads "35.—Industries" and "43.—Famine Relief". This will be necessary only when there is expenditure under these heads.

3. At present the provision for "Refunds of Revenue" is not detailed in the Estimates. If the sub-division proposed for Account XIII is approved of, the necessary details will have to be given in the Demand.

LIST No 58.

Grant No. 75.—Delhi.

Sub-heads.

I.—Direct Demands on the Revenue;
II.—General Administration;
III.—Administration of Justice;
IV.—Jails and Convict Settlements;
V.—Police;
VI.—Education;
VII.—Medical;
VIII.—Public Health;
IX.—Other Expenditure Heads;
X.—Refunds of Revenue.

Account I.—Direct Demands on the Revenue.

A.—Land Revenue:—

A. 1.—Charges of Administration—Pay and Allowances of Establishments, and Contingencies;
A. 2.—Land Records—Pay and Allowances of Establishments, and Contingencies;

B.—Excise—Establishment, and other charges,

C.—Stamps,

D.—Registration—*Establishments and other charges*

ACCOUNT II.—GENERAL ADMINISTRATION.

A.—Chief Commissioner:—
- A. 1.—Pay of Officers,
- A. 2.—Pay of Establishments,
- A. 3.—Allowances, Honoraria, etc.,

B.—Finger print Bureau,

C.—Local Fund Audit charges paid to the Audit Department,

D.—District Administration:—
- D. 1.—Pay of Officers,
- D. 2.—Pay of Establishments,
- D. 3.—Allowances, Honoraria, etc.,
- D. 4.—Contingencies

ACCOUNT III.—ADMINISTRATION OF JUSTICE.

A.—Law Officers (Fees to Pleaders),

B.—Civil and Sessions Courts—Pay of Officers,

C.—Civil and Sessions Courts—Pay of Establishments,

D.—Civil and Sessions Courts—Other charges,

E.—Courts of Small Causes,

F.—Criminal Courts

ACCOUNT IV.—JAILS AND CONVICT SETTLEMENTS.

A.—Jails:—
- A. 1.—Pay of Officers and Establishments,
- A. 2.—Allowances, Honoraria, etc.,
- A. 3.—Dietary, clothing and bedding charges, and other supplies and services,
- A. 4.—Works,
- A. 5.—Contingencies,

B.—Jail Manufacture

ACCOUNT V.—POLICE.

A.—District Executive Force—District Police,

B.—*District Executive Force—Other Police*—Pay, Allowances, and Expenses,

C.—*Deduct* Cost of Additional police imposed under Act V of 1861, to be met out of the General Police Fund,

D.—Railway Police—Charges payable to the Punjab Government,

E.—Cattle Pounds

ACCOUNT VI.—EDUCATION.

A.—Grant-in Aid to Delhi University:—
- A. 1.—Recurring Grants,
- A. 2.—Non recurring Grants,

(A. 1 and A. 2 may be amalgamated, if desired)

B.—Grants in Aid to non Government Arts Colleges

C.—Government Secondary Schools—Pay, Allowances, and Expenses;

D.—Grants-in-Aid to non-Government Secondary Schools:—

D. 1.—Recurring Grants;
D. 2.—Building Grants;
D. 3.—Other non-recurring grants;

(D. 2 and D. 3 may be amalgamated, if desired).

E.—Grants-in-Aid to Local Bodies for Secondary Education;

F.—Grants-in-Aid to non-Government Primary Schools;

G.—Grants-in-Aid to Local Bodies for Primary Education:—

G. 1.—Recurring Grants;
G. 2.—Non-recurring Grants;

H.—Government Special Schools (Female Training School);

I —Grant-in-Aid to non-Government Special Schools;

J.—General:—

J. 1.—Inspection;
J. 2.—Scholarship;
J. 3.—Miscellaneous.

Account VII.—Medical.

A.—Medical Establishment:—

A. 1.—Pay of Chief Medical Officer, Assistant Surgeons, and other establishments;

A. 2.—Allowances, and Contingencies;

A. 3.—*Deduct* Amount recovered from Delhi Municipality;

B.—Hospital and Dispensaries:—

B. 1.—Pay and Allowances of Officers and Establishments;
B. 2.—Cost of medicines, diet of patients, and apparatus;
B. 3.—Other Expenses;
B. 4.—Grants-in-Aid to medical institutions;

C.—Grants-in-Aid for medical purposes;

D.—Medical Colleges and Schools—Scholarships.

Account VIII.—Public Health.

A.—Grants-in-Aid for Public Health purposes;

B.—Public Health—Expenses in connection with epidemic diseases:—

B. 1.—Pay, Allowances, and Expenses;
B. 2.—Grants-in-Aid to Local Bodies;

C.—Public Health—Works (whenever necessary).

Account IX.—Other Expenditure Heads.

A.—Ecclesiastical:—

A. 1.—Ecclesiastical Establishments;
A. 2.—Cemetery Establishment;
A. 3.—Grants-in-Aid (whenever necessary);

B.—Agriculture:—

B. 1.—Grant-in-Aid;
B. 2.—Other Expenditure;

C —Industries,

D —Scientific Departments—Hydro Electric Surveys—Contingencies,

E.—Census (when necessary, unless it be decided to include the Census charges of all areas in the centrally controlled subject grant for Census),

F —Other Miscellaneous Departments (to be named),

G 2 —Other Exp —

ACCOUNT X —REFUNDS OF REVENUE

A —
B —
C —
&c.— } A subhead for each revenue major head, as required

NOTES —1. The appropriation account of this Grant should consist of (i) a general account giving the totals for each of the proposed sub heads and (ii) a separate account detailed as indicated above for each sub head

2 No provision has been made in the above classification for the expenditure major heads 8 —Forest and 43 —Famine Relief This will be necessary only when there is expenditure under these heads

3 At present the provision for Refunds of Revenue is not detailed in the Estimates If the sub-divisions proposed for Account X is approved of the necessary details will have to be given in the Demands.

LIST No 59

GRANT No 76 —AJMER AND MERWARA.

Subheads

I —Direct Demands on the Revenue,
II —General Administration,
III —Police,
IV —Education,
V —Other Expenditure Heads,
VI —Refunds of Revenue

ACCOUNT I —DIRECT DEMANDS ON THE REVENUE

A.—Land Revenue—Charges of Administration —
A. 1 —Gross charges,
A 2 —*Deduct* Amount recovered from Wards' Estates

B —Land Revenue—Land Records —
B 1 —Pay of Establishments,
B 2 —Other charges,

C —Commission on Land Revenue Collections,

D —Land Revenue—Assignments and Compensations,

E —Excise —
E 1 —District Executive Establishment,
E 2.—Distilleries—Amount paid to the Punjab Government;

F —Forests —
F 1 —Conservancy and Works
F 2 —Establishments—Pay,
F 3 —Establishments—Other charges,

G —Registration—Establishments and other charges

ACCOUNT II.—GENERAL ADMINISTRATION.

A.—Chief Commissioner—servants and miscellaneous expenses;

B.—District Establishment:—

B. 1.—Pay of Officers;
B. 2.—Pay of Establishments;
B. 3.—Allowances, Honoraria, etc.;
B. 4.—Contingencies.

ACCOUNT III.—POLICE.

A.—District Executive Force—District Police:—

A. 1.—District Superintendents and Assistants;
A. 2.—Police Force;
A. 3.—Office Establishment;
A. 4.—Allowances, Honoraria, etc.;
A. 5.—Supplies and Services, and Contingencies;

D.—*Deduct* Cost of additional police imposed under Act V of 1861, to be met out of the General Police Fund.

ACCOUNT IV.—EDUCATION.

A.—University—Government Arts Colleges:—

A. 1.—Pay of Principal and Professors;
A. 2.—Other charges;

B.—Government Secondary Schools:—

B. 1.—Pay of Officers and Establishments;
B. 2.—Other charges;

C.—Grants-in-Aid to non-Government Secondary Schools;

D.—Government Primary Schools;

E.—Grants-in-Aid to non-Government Primary Schools;

F.—Government Special Schools;

G.—General:—

G. 1.—Inspection;
G. 2.—Scholarship;
G. 3.—Miscellaneous.

ACCOUNT V.—OTHER EXPENDITURE HEADS.

A.—Administration of Justice:—

A. 1.—Law Officers (Fees to Pleaders, and miscellaneous charges);

A. 2.—Civil and Sessions Courts;

A. 3.—Courts of Small Causes,

A. 4.—Criminal Courts;

B.—Jails:—

B. 1.—Pay and Allowances of Officers and Establishments;
B. 2.—Dietary, clothing, bedding charges, and other supplies and services;
B. 3.—Contingencies;

C —Jail Manufacture,

D —Ecclesiastical —

- D 1 —Ecclesiastical Establishments,
- D 2 —Cemetery Establishment,
- D 3 —Grants in Aid (whenever necessary)

E —Medical —

- E 1 —Medical Establishment,
- E 2 —Hospital and Dispensaries,
- E 3 —Grants in Aid for Medical purposes,
- E 4 —Other expenditure,

F —Public Health

G —Agriculture —

- G 1 —Agriculture,
- G 2 —Veterinary charges,
- G 3 —Co operative Credit,

H —Museum,

I —Census (when necessary, unless it be decided to include the Census charges of all areas in the centrally controlled subject grant for Census),

J —Other Miscellaneous Departments (to be named)

K —Famine Relief (when necessary),

L —Miscellaneous charges —

- L 1 —Grants in Aid,
- L 2 —Other charges,

NOTE —In all cases grants in aid should be accounted for separately from other charges, two special sub divisions being opened when necessary

ACCOUNT VI —REFUNDS OF REVENUE

A.—
B —
C —
&c — } A subhead for each revenue major head, as required

NOTES —1 The appropriation account of this Grant should consist of (i) a general account giving the totals for each of the proposed sub-heads, and (ii) a separate account, detailed as indicated above for each sub head.

2 No provision has been made in the above classification for the expenditure major head 35 —Industries This will be necessary when there is expenditure under this head

3 At present the provision for Refunds of Revenue ' is not detailed in the Estimates. If the sub-division proposed for Account VI is approved of the necessary details will have to be given in the Demands

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LIST No 60

GRANT No. 77 —ANDAMANS AND NICOBAR ISLANDS.

Sub heads

I.—Convict Settlement charges,

II —Forests,

III —Refunds of Revenue

Account I.—Convict Settlement Charges.

A.—Superintendence:—

A. 1.—Pay of Officers;
A. 2.—Pay of Establishments;
A. 3.—Allowances and Expenses;
A. 4.—Passages for families of self-supporters;

B.—Medical:—

B. 1.—Pay of Officers;
B. 2.—Pay of Establishments;
B. 3.—Allowances and Contingencies;
B. 4.—Medical Supplies;

C.—Police:—

C. 1.—Pay of Officers;
C. 2.—Pay of Establishments;
C. 3.—Allowances, Honoraria, etc.;
C. 4.—Ordnance Supplies;
C. 5.—Other Supplies;
C. 6.—Contingencies;
C. 7.—*Deduct* Recoveries from Forest Department;

D.—Marine:—

D. 1.—Pay of Officers;
D. 2.—Pay of Establishments;
D. 3.—Allowances and Contingencies;
D. 4.—Marine Supplies;

E.—Commissariat:—

E. 1.—Establishment—Pay, Allowances and Contingencies;
E. 2.—Commissariat Supplies;
E. 2 (1).—Bakery;
E. 2 (2).—Dairy Farm;
E. 2 (3).—Slaughter House;
E. 2 (4).—Other Charges;

F.—Miscellaneous Establishments (other than Jail Establishment)—Pay, Allowances, and Expenses:—

F. 1.—Veterinary;
F. 2.—Ecclesiastical;
F. 3.—Education;
F. 4.—Treasury, Registration, and other establishments;

G.—Miscellaneous Jail Charges:—

G. 1.—Pay and Allowances of Jail Establishment;
G. 2.—Forest Supplies;
G. 3.—Jail Press Supplies;
G. 4.—Clothing;
G. 5.—Other Supplies;
G. 6.—Subsistence Money;
G. 7.—Contingencies;
G. 8.—*Deduct* Recoveries of clothing charges from the Forest Department;

H.—Charges in connection with S.S. "Maharaja":—

H. 1.—Cost of coal;
H. 2.—Charter of Steamer;
H. 3.—Indian Port expenses, working expenses, and Agency fees at ports;
H. 4.—Other charges;
H. 5.—*Deduct* Recovery from Forest Department.

Abstract [illegible]—Forests.

A—Conservancy and Works—

- A 1—Timber and other produce removed from the forests by Government agency;
- A 2—Timber and other produce removed from the forests by consumers or purchasers;
- A 3—Live stock, stores and tools and plant—
  - A 3 (i)—Purchase of cattle;
  - A 3 (ii)—Feed and keep of cattle;
  - A 3 (iii)—Purchase of stores, and tools and plant.
- A 4—Communications and buildings—
  - A 4 (i)—Roads and bridges;
  - A 4 (ii)—Buildings.
  - A 4 (iii)—Other works;
- A 5—Organization, improvement, and extension of forests;
- A 6—Charges in connection with S.S. "[illegible]" transferred from Account [illegible] subhead [illegible];
- A 7—Miscellaneous.

B—Establishment—

- B 1—Pay of Officers.
- B 2—Pay of Establishment;
- B 3—Allowances, Honoraria, etc.;
- B 4—Contingencies.

Abstract [illegible]—[illegible]

1—[illegible]

2—Forests.

[illegible]

[illegible]

		[illegible]	[illegible]
[illegible]		[illegible]	[illegible]
[illegible]		[illegible]	[illegible]
[illegible]		[illegible]	[illegible]

[illegible]

[illegible]

		[illegible]	[illegible]
		[illegible]	[illegible]
[illegible]		[illegible]	[illegible]
[illegible]		[illegible]	[illegible]
[illegible]		[illegible]	[illegible]
[illegible]		[illegible]	[illegible]
[illegible]		[illegible]	[illegible]

[illegible]

4. It is a question for consideration if for (1) the Bakery, (2) the Dairy Farm, and (3) the Slaughter House, maintained in connection with the Commissariat Department, suitable *pro forma* profit and loss accounts and store accounts should be appended to the appropriation account. For the sale of meat, profit and loss statements are at present prepared locally, and the forms of these with suitable modifications can be adopted if necessary. For the Bakery, and the Dairy Farm, discussion with the local authorities will probably be necessary if the matter is to be pursued. Presentation of Store Accounts should perhaps be considered necessary in any case, as the value of stores passing through the hands of commissariat officials is very large.

5. The value of articles manufactured in Jail factories is also large. It seems desirable, therefore, that Manufacture and Store Accounts in respect of these also should be appended to the appropriation account. The operations appear to be connected with the manufacture of cocoanut oil, oil cake, coir fibre, coir yarn and rope, and articles made of case. There is also a small printing press, and a small smithy for repairing utensils, etc.

6. It will be noticed that the classification of charges proposed in Accounts I and II above is somewhat different from that adopted in the Demands for Grants and in Account No. 49-B. of the Finance and Revenue Accounts. It would simplify the estimates as well as the accounts and present them in a slightly clearer from than at present, if the proposed classification were adopted not only in the appropriation accounts, but also in the Demands for Grants and the Finance and Revenue Accounts. This course is recommended for adoption.

LIST No. 61.

Grant No. 78.—Rajputana.

Sub-heads.

I.—Police;

II.—Political;

III.—Other Expenditure Heads;

IV.—Refunds of Revenue.

Account I.—Police.

A.—District Executive Force—District Police:—

- A. 1.—District Superintendents and Assistants;
- A. 2.—Police Force;
- A. 3.—Office Establishment;
- A. 4.—Other Allowances, Honoraria, etc;
- A. 5.—Supplies and Services, and Contingencies;

B.—Railway Police:—

- B. 1.—Officers;
- B. 2.—Police Force;
- B. 3.—Office Establishment;
- B. 4.—Travelling Allowance;
- B. 5.—Other Allowances, Honoraria, etc.;
- B. 6.—Supplies and Services;
- B. 7.—Contingencies;
- B. 8.—Amount paid to R. M. Railway as share of rent of Railway quarters;
- B. 9.—*Deduct* Recoveries from R. M. Railway—Cost of escorts and treasure guards;

C.—District Executive Force—Other Police:—Pay, Allowances and Expenses; } When necessary.
D.—*Deduct* Cost of Additional Police imposed under Act V of 1861, to be met out of the General Police Fund. } When necessary.

Account II —Political.

A —Political Agents —

- A 1 —Pay of Officers,
- A 2 —Pay of Establishments,
- A 3 —Allowances, Honoraria, etc ,
- A 4 —Supplies and Services,
- A 5 —Secret Expenses,
- A 6 —Contingencies,
- A 7 —Deduct Charges recovered from other Governments, Departments, etc,

B —Miscellaneous—Mina Corps —

- B 1 —Pay of Officers,
- B 2 —Pay of Establishments,
- B 3 —Allowances, Honoraria, etc ,
- B 4 —Supplies and Services,
- B 5 —Contingencies,
- B 6 —*Deduct* Charges recovered from other Governments, Departments, etc

Account III —Other Expenditure Heads

A —Land Revenue,

B —Excise,

C —Stamps,

D —Administration of Justice,

E —Ecclesiastical,

F —Education —

- F 1 —University—Grants to non Government Arts Colleges,
- F 2 —Grants in Aid to non Government Secondary and Primary Schools,
- F 3 —Scholarships,

G —Medical,

H —Public Health,

I —Miscellaneous

(Note —In all cases grants-in aid should be accounted for separately from other charges, two special sub divisions being opened when necessary)

Account IV —Refunds of Revenue

A —
B —
C —
&c — } A sub head for each revenue major head, as required

Notes —1 The appropriation account of this Grant should consist of (i) a general account giving the totals for each of the proposed sub-heads and (ii) a *separate* account detailed as indicated above for each sub head

2. No provision has been made in the above classification for the *expenditure* major heads "8.—Forest " 9 —Registration 25 —Jails and Convict Settlements " 30.—Scientific Departments 34 —Agriculture (including veterinary charges) " 35.—Industries," "3 Miscellaneous Departments and 43.—Famine Relief " This will be necessary only when there is expenditure under these heads,

3. At present the provision for Refunds of Revenue is not detailed in the Estimates If the sub-division proposed for Account IV is approved of, the necessary details will have to be given in the Demands.

LIST No. 62.

GRANT No. 79.—CENTRAL INDIA.

Subheads.

I.—Direct Demands on the Revenue;

II.—Police;

III.—Political;

IV.—Other Expenditure Heads;

V.—Refunds of Revenue.

ACCOUNT I.—DIRECT DEMANDS ON THE REVENUE.

A.—Land Revenue;

B.—Excise:—

B. 1.—District Executive Establishment:—

B. 1 (1).—Pay of Officers;
B. 1 (2).—Pay of Establishments;
B. 1 (3).—Allowances, Honoraria, etc.;
B. 1 (4).—Supplies and Services;
B. 1 (5).—Contingencies;

B. 2.—Compensations;

B. 3.—Other Charges;

C.—Forest;

D.—Registration.

ACCOUNT II.—POLICE.

A.—District Executive Force—District Police:—

A. 1.—District Superintendents and Assistants;
A. 2.—Police Force;
A. 3.—Office Establishment;
A. 4.—Allowances, Honoraria, etc.;
A. 5.—Supplies and Services, and Contingencies;

B.—District Executive Force—Other Police—Pay, Allowances, and Expenses;

C.—*Deduct* Cost of Additional Police imposed under Act V of 1861, to be met out of the General Police Fund.

ACCOUNT III.—POLITICAL.

A.—Political Agents:—

A. 1.—Pay of Officers;
A. 2.—Pay of Establishments;
A. 3.—Allowances, Honoraria, etc.;
A. 4.—Supplies and Services;
A. 5.—Secret Expenses;
A. 6.—Contingencies;
A. 7.—Grant-in-Aid;
A. 8.—*Deduct* Charges recovered from other Governments, Department, etc.;

B.—Entertainment of Envoys and Chiefs.

Account IV —Other Expenditure Heads.

A —General Administration—District Establishment—Charges of Manpur Pergunnah,

B —Administration of Justice —

- B 1 —Civil and Sessions Courts —
  - B 1 (1) —Pay of Officers
  - B 1 (2) —Pay of Establishments,
  - B 1 (3) —Other charges
- B 2 —Other Expenditure,

C —Jails and Convict Settlements

D —Ecclesiastical —

- D 1 —Ecclesiastical Establishments —
  - D 1 (1) —Church of England,
  - D 1 (2) —Other Churches,
- D 2 —Cemetery Establishment,
- D 3 —Grant in Aid (when necessary),

E —Education —

- E 1 —University—Grants to non Government Arts Colleges,
- E 2 —Grants in Aid to non Government Secondary Schools,
- E 3 —Grants in Aid to non Government Primary Schools,
- E 4 —Inspection, Scholarships, and Miscellaneous Expenditure

F —Medical —

- F 1 —Medical Establishment,
- F 2 —Hospital and Dispensaries —
  - F 2 (1) —Grants in Aid to medical institutions,
  - F 2 (2) —Other Expenditure,

G —Public Health,

H —Miscellaneous —

- H 1 —Grants in Aid,
- H 2 —Other Expenditure

(Note —In all cases grants in aid should be accounted for separately from other charges two special sub divisions being opened when necessary)

Account V —Refunds of Revenue.

A —, B —, C —, &c.— } *A separate subhead for each revenue major head, as required*

Notes —1 The appropriation account of this Grant should consist of (i) a general accoun giving the totals for each of the proposed sub heads, and (ii) a separate account, detailed as indicated above, for each sub-head.

2. No provision has been made in the above classification, for the expenditure major heads 30 —Scientific Departments. 34 —Agriculture (including veterinary charges). '35.—Industries,' 37 —Miscellaneous Departments." and 43.—Famine Relief ' This will be necessary only when there is expenditure under these heads.

3. *At present the provision for ' Refunds of Revenue is not detailed in the Estimates* If the sub-division proposed for Account V is approved of the necessary details will have to be given in the Demands.

LIST No. 63.

GRANT No. 80.—HYDERABAD.

Subheads.

I.—Political;

II.—Other Expenditure Heads;

III.—Refunds of Revenue.

ACCOUNT I.—POLITICAL.

A.—Political Agents:—

- A. 1.—Pay of Officers;
- A. 2.—Pay of Establishments;
- A. 3.—Allowances, Honoraria, etc.;
- A. 4.—Supplies and Services;
- A. 5.—Secret Expenses;
- A. 6.—Contingencies;
- A. 7.—*Deduct* Charges recovered from other Governments Departments, etc.;

B.—Entertainment of Envoys and Chiefs.

ACCOUNT II.—OTHER EXPENDITURE HEADS.

A.—Land Revenue;

B.—Registration;

C.—Administration of Justice;

D.—Police:—

- D. 1.—District Executive Force—District Police—Hyderabad Amalgamated Police:—
  - D. 1 (1).—Pay and Allowances of Officers; and Establishments;
  - D. 1 (2).—Supplies and Services, and Contingencies;
  - D. 1 (3).—*Deduct* amounts recovered from Residency Bazar Fund, Secunderabad Local Abkari Fund, and His Exalted Highness the Nizam's Government;
- D. 2.—District Executive Force—Other Police—Pay, Allowances, and Expenses;
- D. 3.—*Deduct* Cost of additional police imposed under Act V of 1861, to be met out of the General Police Fund;

E.—Ecclesiastical:—

- E. 1.—Ecclesiastical Establishments:—
  - E. 1 (1).—Church of England—Pay of Chaplains, etc.;
  - E. 1 (2).—Church of England—Other charges;
  - E. 1 (3).—Church of Scotland;
  - E. 1 (4).—Church of Rome;
- E. 2.—Cemetery Establishment;
- E. 3.—Grants-in-Aid (whenever necessary);

F.—Education:—

- F. 1.—Grants-in-Aid to non-Government Secondary, Primary and Special Schools, and for encouragement of Literature;
- F. 2.—Inspection, and miscellaneous expenditure;

G.—Medical;

H.—Public Health (Grants-in-Aid);

I.—Miscellaneous.

ACCOUNT III —REFUNDS OF REVENUE

A.—
B —
C —
&c — } A sub head for each revenue major head as required

NOTES —1 The appropriation account of this Grant should consist of (i) a general account giving the totals for each of the proposed sub-heads and (ii) a separate account detailed as indicated above for each sub head

2 No provision has been made in the above classification for the expenditure major heads 6.—Excise 8.—Forest 22.—General Administration 25—Jails and Convict Settlements 30—Scientific Departments 34—Agriculture 35—Industries 37—Miscellaneous Departments and 43—Famine Relief This will be necessary only when there is expenditure under these heads

3. At present the provision for Refunds of Revenue is not detailed in the Estimates If the sub division proposed for Account III is approved of the necessary details will have to be given in the Demands

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LIST No 64

GRANT No 81 —EXPENDITURE IN ENGLAND UNDER THE CONTROL OF THE SECRETARY OF STATE FOR INDIA

A —India Office Establishment —

A 1 —Salaries,
A 2.—*Deduct* Recovered from the Home Government,

B —India Office Expenses —

B 1 —Postage and Telegrams to India,
B 2 —National Health Insurance,
B 3 —Office Contingencies,
B 4 —Miscellaneous expenditure,
B 5 —*Deduct* Recovered from the Home Government,

C —India Office Audit Establishment —

C 1 —Salaries,
C 2 —Miscellaneous,
C 3 —*Deduct* Recovered from the Home Government,
C 4 —*Deduct* Charged to Grant No 82, for the High Commissioner for India,

D —Expenditure in connection with the League of Nations —

D 1 —Grant in Aid towards expenses of the Secretariat of the League,

D 2 —Other expenditure in connection with the League of Nations Assembly and Committees,

E —Central Civil charges in connection with Administration in India, excluding charges relating to Railways and Posts and Telegraphs —

(As many of the following sub heads as may be necessary)

E 1 —Expenditure in connection with appointments to the Indian Services —

E 1 (1) —Grants in Aid to Universities for the training of probationers,

E 1 (2) —Examination expenses,

E 1 (3) —Other Expenditure.

E. 2.—Special Commissions of Enquiry and Committees.

(The more important ones, *e.g.*, the Labour Conference at Geneva, to be severally detailed, and three sub-heads—1. Pay of Officers and Establishments, 2. Travelling Expenses; and 3. Other Expenses—to be provided for in respect of each, and the rest to be lumped under a sub-head "Other Commissions and Committees" also divided into three items as above);

E. 3.—A separate sub-head should be opened, whenever necessary, for every specially important object of expenditure not covered by a regular sub-head, *e.g.*, a Royal Visit, an Exhibition, or an Imperial Conference. Each sub-head to be divided into (1) Pay of Officers, (2) Pay of Establishments, (3) Allowances, Honoraria, etc., and (4) Other Expenses, or other suitable sub-divisions.

E. 4.—Secret Service Expenditure;
E. 5.—Grants-in-Aid;
E. 6.—Unforeseen charges (not to include any grants-in-aid);
E. 7.—Other charges;

F.—Loss or Gain by Exchange.

NOTES.—1. Sub-heads E. 1 to E. 7 have also been *proposed for* the High Commissioner's Grant, as until there is a clear demarcation of the respective functions of the India Office and the High Commissioner's establishment, some charges will presumably continue to appear against both the Grants.

2. For expenditure brought to account against sub-heads E. 2 and E. 3, suitable notes should be appended to the Appropriation Account to give the *running* account of expenditure on each Committee, scheme, etc., on which there was expenditure in a previous year also. The Progressive expenditure should *further* be compared with the total estimated cost (if known), and the unspent balance brought out.

3. It will be noticed that in the sub-head classification proposed above, it is not suggested to detail by *major* heads the *miscellaneous* expenditure now described as "sundry items" in the demand for grant. Such a sub-division would seem to be unnecessary for the purpose of the Appropriation Account. In the Finance and Revenue Accounts, however, the expenditure would have to be classified by the prescribed *major* heads.

4. *If it is ruled, as contemplated, that re-appropriation from* one item to another within the Grant *may* be sanctioned without *reference* to India, then it will be possible *for* the India Office to re-appropriate from or to sub-head E. (charges connected with Administration in India) to any of the sub-heads (A, B, or C), provided *for* the expenditure of the India Office, itself. In these circumstances, if it be held desirable to place any restriction upon reappropriations of this character, one way of achieving the object would be to have a separate Grant for sub-head E. alone. This is a question for the consideration of Government.

5. It will presumably be held desirable to consult the India Office before determining finally the sub-head classification of this Grant.

LIST No. 65.

GRANT No. 82.—EXPENDITURE IN ENGLAND UNDER THE CONTROL OF THE HIGH COMMISSIONER FOR INDIA.

A.—High Commissioner's Establishment (other than the Stores Department and the Department for Indian Students):—

A. 1.—Salaries—General;
A. 2.—Salaries—Accounts Branch;

B.—High Commissioner's Office Expenses:—

B. 1.—Postage and Telegrams to India;
B. 2.—National Health and Unemployment Insurance;
B. 3.—Office Contingencies, etc.;

C.—Indian Students' Department:—

C. 1.—Salaries;
C. 2.—Other Expenses;

D.—Colonial Department charges for issue of leave pay and pensions;

E.—Stores Department :—
- E 1.—Salaries,
- E 2.—Wages of artificers, labourers, etc.,
- E 3.—Professional inspection of stores,
- E 4.—Miscellaneous charges connected with the supply of stores for India,

F.—India Office Audit Establishment—portion relative to High Commissioner's work—transferred from Grant No. 81 for the Secretary of State for India,

G.—*Deduct* Recoveries :—
- G 1.—Surcharges on stores supplied to Commercial Departments of the Central Government (State Railways, Posts and Telegraphs, etc.),
- (A sub head for each).
- G 2.—Surcharges on stores supplied to Provincial Governments,
- (A sub head for each)
- G 3.—Provincial Governments' share of the cost of the High Commissioner's establishment for issue of leave salaries, pensions, etc.,
- (A sub head for each)
- G 4.—Allowance by the Inland Revenue (Home Government) on account of assessment of Income Tax at the High Commissioner's Office

H.—Central Civil charges in connection with Administration in India, excluding charges relating to Railways and Posts and Telegraphs :—
- H 1.—Leave salary of Indian establishments,
- H 2.—Allowances and fees to Scholars and Probationers,
- H 3.—Indian Trade Commissioner and establishment in London,
- H 4 to H 10.— } Such of the sub heads E 1 to E 7 for the Grant for the Secretary of State for India as may be required for the High Commissioner's Grant
- (Until there is a clear demarcation of the respective functions of the India Office and the High Commissioner's establishment, some charges will presumably continue to appear against both the Grants),

I.—Loss or Gain by Exchange,

J.—Refunds of Revenue (when necessary) :—
- J 1.— J 2.— Etc., } A separate sub head for each revenue major head, as required

NOTES.—1 See note 2 to the classification suggested for the Grant for the Secretary of State for India

2. It will be noticed that in the sub head classification proposed above, it is not suggested to detail by major heads the miscellaneous expenditure now described as 'leave allowances' in the Demand for Grant. Such a sub-division would seem to be unnecessary for the purpose of the Appropriation Account In the Finance and Revenue Accounts however, the expenditure would to be classified by the prescribed major heads.

3. If it is ruled as contemplated that reappropriation from the item to another within the Grant may be sanctioned without reference to India then it will be possible for the High Commissioner to reappropriate from or to sub-head H. (Charges connected with Administration in India) to or from any of the sub-heads (A B C or E) provided for expenditure of the High Commissioner's establishments. In these circumstances, if it be held desirable to place any restriction upon reappropriations of this character one way of achieving the object would be to have a separate Grant for sub-head H. alone This is a question for the consideration of Government.

4. It will presumably be held desirable to consult the High Commissioner before determining finally the sub-head classification of this Grant.

LIST No. 66.

GRANT No. 83.—IRRIGATION WORKS—NOT CHARGED TO REVENUE.

In the separate Note on Grant No. 22 for "Irrigation (including Working Expenses), Navigation, Embankment and Drainage Works," proposals have been made for the division of that Grant into sub-heads, which contemplate the treatment of that Grant as the amalgamated grant for expenditure charged to revenue and expenditure not charged to revenue.

2. If those proposals are accepted, then this Grant will cease to exist as a separate grant. But, if it is held essential that there should be a separate grant for expenditure not charged to revenue, then it is suggested that the separate grant need be only a lump sum grant for the net expenditure under the Capital major head "55". The reason for making these alternative suggestions is that in reality it is only the "Works" expenditure of the irrigation department that can be kept separate for each major head of the accounts classification, the rest of the expenditure (establishment, tools and plant, suspense, etc.), being general expenditure incurred initially on a joint basis. An amalgamated grant is the best form of grant from the point of view of appropriation control.

3. For this reason, no detailed list of sub-heads is being proposed for this Grant. If the separate Grant is retained, the appropriation account need have a single sub-head "Net expenditure not charged to revenue, *vide* sub-head K of Grant No. 22".

LIST No. 67.

GRANT No. 86.—DELHI CAPITAL OUTLAY (INCLUDING EXPENDITURE IN ENGLAND AND EXCHANGE THEREON).

A.—Pay and Allowances other than Travelling Allowance:—

- A. 1.—Engineering Establishment—Officers;
- A. 2.—Engineering Establishment—Subordinates;
- A. 3.—Specialist Officers;
- A. 4.—Office Establishments;
- A. 5.—Other Establishments;
- A. 6.—Expenditure in England;

B.—Travelling Allowance:—

- B. 1.—Gazetted Officers;
- B. 2.—Non-gazetted Officers;

C.—Commission fees and Travelling Allowance of the English Architects (Messrs. Lutyens and Baker):—

- C. 1.—Commission fees;
- C. 2.—Travelling Allowance;

D.—Supplies and Services, and Contingencies:—

- D. 1.—Postage, Telegrams, and Telephone charges;
- D. 2.—Other charges;

E.—*Deduct* Establishment charges recovered from other Governments, Departments, etc.;

F.—Works—Government House;

G.—Works—Secretariats;

H.—Works—Legislative Chambers;

I.—Works—Residential Buildings;

J—Works—Other Civil Buildings,
K—Works—Military Buildings,
L—Works—Communications,
M—Works—Parks and Gardens (including Recreation Parks),
N—Works—Other Miscellaneous Public Improvements,
O—Works—Electric Light and Power,
P—Works—Irrigation,
Q—Works—Storm Water drains,
R—Works—Sewerage,
S—Works—Water Supply,
T—Works—Conservancy,
U—Tools and Plant
V—Stock and Suspense —
- V 1—Stock —
  - V 1 (1)—Charges,
  - V 1 (2)—*Deduct* Issue to works and other credits,
- V 2—Loss by Exchange—Adjustment account —
  - V 2 (1)—Charges,
  - V 2 (2)—*Deduct* Recoveries,
- V 3—Other Suspense Accounts —
  - V 3 (1)—Charges,
  - V 3 (2)—Credits,

W—Works—Miscellaneous,
X—Works—Maintenance during construction —
- X 1—Maintenance of Buildings,
- X 2—Maintenance of Roads,
- X 3—Maintenance of parks and gardens, etc ,
- X 4—Irrigation and domestic water supply,
- X 5—Conservancy and Sanitation,
- X 6—Running expenses of electric power plant for general purposes,
- X 7—Running expenses of Imperial Delhi Railway for general purposes,
- X 8—Other charges,

Y—Works—Railway diversion,
Z—Land Acquisition,
AA.—Other Miscellaneous Expenditure,
BB—*Deduct* Receipts and recoveries on Capital Accounts,
CC—Expenditure in England (at par, £1 = Rs 10) —
- CC 1—Stores,
- CC 2—Establishment,
- CC 3—*Deduct* transfers to other sub heads,

DD—*Deduct* Probable Savings

NOTES—1 This classification if approved [illegible] necessitate corresponding changes in the abstract of detailed estimates as shown in the Demand of this Grant presented to the Legislative Assembly

2. Sub-heads A 6 X 2 and CC may be suitably amended if unsuitable to the special method of dealing with English charges (and the exchange thereon) which seems to have been authorised in respect of Delhi Capital Outlay *Gross* and *deduct* charges should remain separate in any case

3. The details of New Works proposed to be appended to the appropriation account for Civil Works generally need not perhaps be required in respect of Delhi Capital Works now that the project is nearing completion

4. For sub-head "V. 1.—Stock", a statement should be appended to the appropriation account giving the opening and closing balances of the year, the receipts and issues of the year, and a review of the balances and of the results of stock verification.

5. For sub-head "Loss by Exchange—Adjustment Account", suitable notes should be appended to the appropriation account stating the opening and closing uncleared balances of this account and explaining why the clearance of all losses could not be effected within the accounts of the year.

LISTS Nos. 68 AND 69.

Grants Nos. 87 and 88.—Disbursements of Loans and Advances.

General Remarks.

Notes.—1. Grants Nos. 87 and 88 provide for disbursements of loans and advances of certain classes. By way of explanation, it may be of some interest to state what heads of account are included in these two grants and what are excluded.

2. In respect of expenditure charged against revenue, and expenditure not charged against revenue, the procedure observed is that the Demands for Grants for certain heads are submitted to the vote of the Legislative Assembly, and those for other heads are not so submitted, according as the expenditure is subject to vote or not. Appropriation accounts are, however, prepared for all Demands for such expenditure, voted as well as non-voted.

3. Disbursements falling under the heads of account known technically as *"Debt heads" are treated somewhat differently. Whereas estimates (or Demands) are prepared in respect of payments falling under all heads classed as "Debt heads", appropriation accounts are prepared in respect of only those heads the Demands for which are presented to the Assembly and are voted on.

4. A doubt arose in 1921 as to whether any payments falling under the "Debt heads" were or were not subject to the vote of the Legislature. Although the Auditor General was of opinion that the Government of India Act did not require submission of a Demand under any of these heads to the vote of the Assembly, it was settled by the Government of India, in view of certain opinions expressed by the Legislative Department, and in consultation with the Auditor General—

(1) that a vote was not necessary in respect of—

(a) mere accounting transactions,
(b) repayments of sums already lodged with Government, such as Deposits, as such Deposits, belong to the depositors and their repayment is often payment under law, and

(2) that the Demands for disbursements under the following heads should be submitted to the vote of the Legislative Assembly:—

(a) Advances Repayable,
(b) Loans and Advances by the Central Government,
(c) † Loans between the Central and Provincial Governments, and
(d) Bronze and Nickle coinage accounts [Part (1)—Purchase of Metals, and Part (4)—Charges for conveyance and destruction of coins.]

LIST No. 68.

Grant No. 87.—Interest-free Advances.

A.—Advances Repayable, India—excluding all book-keeping adjustments and advances on which interest is charged:—

A. 1.—Civil Advances;

A. 2.—Advances for rest camps;

A. 3.—Special Advances;

A. 4.—Forest Advances;

A. 5.—Revenue Advances:—

A. 5 (1).—Advances for Survey operations;

A. 5 (2).—Excise (Abkari) Advances;

A. 5 (3).—Salt manufacture Advances;

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*See Appendix 7 to the Audit Code.

† The disbursements hitherto shown under this head (Central) will hereafter be accounted for under a new head "Advances to the Provincial Loans Funds".

A 6—Opium Advances—i e, Advances for wells, etc., made in the Opium Department,
A 7—Stock Account (purchase price of ganja),

(*N B*—The question whether the transactions in connection with the supply of ganja should be charged direct to the major head 6—Excise in the accounts of the provincial Governments concerned instead of being passed through this Debt head is separately under consideration)

A. 8—Advances Recoverable, Posts and Telegraphs,
A 9—Advances Recoverable, Marine Department,
A 10—Advances Recoverable, Military,
A 11—Advances Recoverable, State Railways,
A 12—Famine Relief, Public Works Department,

B—Advances Repayable, England (at par £1 = Rs 10)—excluding all book keeping adjustments and advances on which interest is charged —

B 1—Recoverable from the Imperial Government,
B 2—Recoverable from others,

C—Bronze Coinage Account —

C 1—Bronze Mintage Account—Purchase of Metal,
C 2—Profit on Bronze Coinage Account—Charges for conveyance and destruction of coins,

D—Nickel Coinage Account —

D 1—Nickel Mintage Account—Purchase of Metal,
D 2—Profit on Nickel Coinage Account—Charges for conveyance and destruction of coins

NOTES—1 It will be noticed that sub heads A 8 to A 11 cover payment transactions which are connected with the administration either of the Military and Marine Services or of the two large commercial departments—Posts and Telegraphs and State Railways—which have separate Grants for their other expenditure Sub-heads A 6 and A 7 relate to payments connected with the Opium Department of the Central Government which also has a separate Grant for its other expenditure Similarly it may be mentioned that sub-heads A 1 to A 5 and A 12 include payments other than those connected wholly with the Central Civil Administration as payments of advances connected with the administration of corresponding subjects in provincial areas are also brought to account under these sub-heads

The grouping of payments of these various classes in a single Demand for Grant is presumably due to two facts—(1) that in the prescribed accounts classification all these payments fall under the heads Advances Repayable and (2) that the Central Civil Administration acts as the banker not only of all provincial Governments but also of the commercial and *quasi* commercial Civil Departments and the Army Department of the Central Government

The following questions have therefore arisen or will arise in due course —

(i) Should not the provincial Governments as well as the Commercial Departments of the Central Government finance their respective advances payments independently of the similar payments of the service departments of the Central Government especially the Railway Department *whose finances* have been separated from the general finances of the Central Government?

(ii) In any case why should the following advances connected with subjects over which the Legislative Assembly has no control be subject to its vote

(*a*) advances made under the orders of provincial Governments and authorities subordinate to them

(*b*) advances made in the Military and Marine Departments?

N B—Questions (i) and (ii) have once been decided in the negative but *it is understood* that the Finance Department is willing to reconsider that decision.

(iii) Should not the provision required for sub heads A. 6 and A 7 *of the Opium* Department be included in the Demand for Grant for that department so that all disbursements for which the department is responsible may be dealt with together?

(iv) Does not the exclusion of advances from the accounts of *the Commercial* Departments or the departments which maintain regular or *pro forma* profit and loss accounts of their undertakings *individually* or collectively, have the effect of vitiating the relevant commercial accounts?

N B—This question is under examinat [illegible] if necessary [illegible] taken on these

It is for the consideration of Govern[illegible] form in which points, when discussing with the Public [illegible] the [illegible] Grant should be prepared.

2. The loss or gain by exchange on the payments falling under sub head B, cannot be provided for in this Grant as, under the system of accounts in force, the loss or gain by exchange, though calculated individually in respect of major heads of revenue and capital expenditure is not determined separately for each debt head of account The entire exchange charges of India are initially brought to account under a Central debt head "Exchange on Remittance Accounts"; this head subsequently receives credits for the losses pertaining to the Provincial Governments, and revenue and capital transactions of the Central Government which are transferred to the respective major heads of revenue and capital, and the residual charge of the year (which may be *plus* or *minus*) representing net loss or gain to the Central Government, is carried to the next year's accounts and kept on under the debt head unless charged off as final or appropriated as revenue, as the case may be, under the orders of the Central Government. The payments falling under this debt head are also not included in a Demand for Grant presented to the Legislative Assembly.

3. The classification proposed above, if approved, will necessitate the preparation of the Demand for this Grant in the same detail.

4. It is not proposed to append to the appropriation account for this Grant any *pro forma* accounts showing the progress made in the clearance of advances. It is unlikely that such accounts will be desired by the Committee on Public Accounts, and any information that may be required can be found in the Review of Balances published annually.

LIST No. 69.

Grant No. 88.—Loans and Advances bearing interest.

A.—Loans and Advances by the Central Government:—

A. 1.—Advances to Government servants:—

A. 1 (1).—House-building Advances;

A. 1 (2).—Advances for purchase of motor cars;

A. 1 (3).—Advances for purchase of other conveyances;

A. 2.—Advances to the Provincial Loans Fund;

A. 3.—Other Loans and Advances:—

A. 3 (1).—Loans to Indian States;

A. 3 (2).—Loans to Landholders and other Notabilities;

A. 3 (3).—Loans to District and other Local Fund Committees;

A. 3 (4).—Loans to Presidency Corporations including Port Trusts (when necessary);

A. 3 (5).—Loans to Mofussil Municipalities;

A. 3 (6).—Loans to Local Boards for Railway Construction (when necessary);

A. 3 (7).—Regimental and other Loans, Military;

A. 3 (8).—Advances under Special Laws;

A. 3 (9).—Advances to Cultivators;

A. 3 (10).—Miscellaneous Loans and Advances;

B.—Reserve.

Notes—1. The remarks in Note 2 below the classification proposed above for the appropriation account of Grant No. 87 apply *mutatis mutandis* to this Grant

2. Sub head A. 2 will include advances made to Government servants by the authorities in England. Such advances are sanctioned in Indian currency, and, though they are actually paid in sterling, the amounts brought to account in India under this sub-head are ordinarily equivalent to the sanctioned amount The loss or gain by exchange (if any) is not separately brought to account, as explained in Note 2 below the classification proposed above for the appropriation account of Grant No 87.

3. Sub heads A 2 (1) to A. 2 (10) are at present detailed by territorial areas in the Demand for the Grant. These details are not necessary for the appropriation account. If required otherwise, they may be retained, but the abstract of the Demand should be so prepared as to give total for the whole of India each of the sub-heads which may be finally prescribed for the Grant.

4. Against the sub-head "B—Reserve" there will be no expenditure in the appropriation account, but if the reserve is appropriated to meet excesses under other sub heads, the notes explaining the excesses will bring out the fact.

5. The classification proposed above, if approved, will necessitate the preparation of the Demand for this Grant in the same detail.

6 It is not proposed to append to the appropriation account for this Grant any *pro forma* accounts showing the progress made in the clearance of advances. It is unlikely that such accounts will be desired by the Committee on Public Accounts, and any information that may be required can probably be found in the Review of Balances published annually.

7 In respect of the Provincial Loans Fund (Sub-head A 2) however it may be desirable to append to the appropriation account two detailed statements showing respectively (1) the income and outgoings of the Fund and (2) its assets and liabilities.

LIST No 70

GRANT—*ECCLESIASTICAL (INCLUDING EXPENDITURE IN ENGLAND AND EXCHANGE)

A.—Ecclesiastical Establishment—Church of England —

- A 1 —Stipends of Bishops,
- A 2 —Pay of Chaplains, etc —Madras,
- A. 3 —Pay of Chaplains, etc —Bombay,
- A 4 —Pay of Chaplains, etc —Bengal,
- A. 5 —Pay of Chaplains, etc —United Provinces,
- A. 6 —Pay of Chaplains, etc —Punjab,
- A. 7 —Pay of Chaplains, etc —Burma,
- A. 8 —Pay of Chaplains, etc —*Bihar and Orissa*,
- A. 9 —Pay of Chaplains, etc.—Central Provinces,
- A. 10 —Pay of Chaplains, etc —Elsewhere,
- A. 11 —Pay of Establishments,
- A. 12—Allowances, Honoraria, etc.,
- A. 13 —Supplies and Services, and Contingencies,

(Note—If transfers from province to province are frequent, then A. 2 to A. 10 may be amalgamated into one sub-head.)

B —Ecclesiastical Establishment—Church of Scotland —

- B 1.—Pay of Chaplains, etc.,
- B. 2.—Other charges,

C.—Ecclesiastical Establishment—Church of Rome,

D —Cemetary Establishment,

E.—Miscellaneous Ecclesiastical Charges —

- E 1.—Grants-in-Aid,
- E 2.—Other charges,

F—[illegible] Charges [illegible] Burma and Central India Railway

G.—Expenditure in England —

- G 1.—[illegible]
- G 2.—Other charges.

H.—[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

ACCOUNT I.—POLITICAL AGENTS.

A.—Kabul Legation:—

A. 1.—Pay of Officers;
A. 2.—Pay of Establishments;
A. 3.—Allowances, Honoraria, etc.;
A. 4.—Supplies and Services;
A. 5.—Special Charges;
A. 6.—Contingencies;

B.—Aden:—

B. 1.—Pay of Officers;
B. 2.—Pay of Establishments;
B. 3.—Allowances, Honoraria, etc.;
B. 4.—Supplies and Services;
B. 5.—Secret Expenditure;
B. 6.—Contingencies;
B. 7.—Grants-in-Aid;

C.—Other Agencies and Residencies;

C. 1.—Pay of Officers;
C. 2.—Pay of Establishments;
C. 3.—Allowances, Honoraria, etc.;
C. 4.—Supplies and Services;
C. 5.—Secret Expenditure;
C. 6.—Compensations;
C. 7.—Contingencies;
C. 8.—Grants-in-Aid;
C. 9.—Establishment charges paid to provincial Governments.

D.—*Deduct* Charges recovered from other Governments, Indian States, Local Funds, etc.

ACCOUNT II.—OTHER EXPENDITURE HEADS.

A.—Watch and Ward Trans-Frontier (North West Frontier)—Allowances to Tribes (Dera Ghazi Khan);

B.—Charges on Tibet Frontier:—

B. 1.—Pay of Officers;
B. 2.—Pay of Establishments;
B. 3.—Allowances, Honoraria, etc.;
B. 4.—Supplies and Services;
B. 5.—Secret Expenditure;
B. 6.—Contingencies;

C.—Charges on North-East Frontier:—

C. 1.—Burma:—

C. 1 (1).—Civil Expenditure;
C. 1 (2).—*Public Works Expenditure;*
C. 1 (3).—Military Police Expenditure;
C. 1 (4).—Charges for the occupation of Hpimaw;
C. 1 (5).—Medical and Miscellaneous Expenditure;
C. 1 (6).—Contribution towards cost of Frontier Military Police, Burma;

C. 2.—Assam:—

C. 2 (1).—Administration charges;
C. 2 (2).—Transport and Commissariat Establishment;
C. 2 (3).—Medical and Steam Launch Establishments;
C. 2 (4).—Contribution towards cost of Assam Rifles;

D.—Charges on account of Diplomatic and Consular Services in Persia :—
- D. 1.—Pay of Officers,
- D. 2.—Pay of Establishments,
- D. 3.—Allowances, Honoraria, etc.,
- D. 4.—Supplies and Services,
- D. 5.—Secret Expenditure,
- D. 6.—Contingencies,
- D. 7.—Grants in Aid,

E.—Political Subsidies :—
- E. 1.—Musket Subsidy,
- E. 2.—Bhutan Durbar Subsidy,
- E. 3.—Other Subsidies,

F.—Entertainment of Envoys and Chiefs,

G.—Refugees and State Prisoners :—
- G. 1.—Charges in connection with the ex-Amir of Afghanistan,
- G. 2.—Ayub Khan,
- G. 3.—Kabul Refugees and State Prisoners,
- G. 4.—Other Refugees and State Prisoners,

H.—Special Political Expenditure :—
- H. 1.—Presents to Nepal Durbar,
- H. 2.—Other Expenditure,

I.—Lighting and Buoying of the Persian Gulf :—
- I. 1.—Pay and Allowances,
- I. 2.—Contingencies.
- I. 3.—*Deduct* Charges recovered from the Home Government.

J.—Charges for Organising Indian State Forces :—
- J. 1.—Pay of Officers,
- J. 2.—Pay of Establishments,
- J. 3.—Allowances, Honoraria, etc.,
- J. 4.—Contingencies,

K.—Works,

L.—Miscellaneous :—
- L. 1.—Malwa Bhil Corps,
- L. 2.—Mewar Bhil Corps,
- L. 3.—Secret Service Expenditure of His Excellency the Viceroy,
- L. 4.—Other charges,

M.—*Deduct* Probable Savings.

ACCOUNT III.—EXPENDITURE IN ENGLAND, AND EXCHANGE.

A.—Expenditure in England :—
- A. 1.—Leave and Deputation Salaries,
- A. 2.—Stores,
- A. 3.—Other charges,
- A. 4.—*Deduct* Recovery from Home Government in adjustment of cost of diplomatic and consular services in Persia, Arabia, Siam, etc.

B.—Loss or Gain by Exchange.

NOTES.—1. For the sake of convenience, it is proposed to divide the Appropriation Account of this grant into three distinct sections as indicated above.

2. Important schemes or special objects of expenditure falling under sub-head H. 2 should be mentioned specifically by suitably sub-dividing that sub-head, *i.e.*, providing a sub-division for each special item and one for other items.

3. With reference to sub-head "K.—Works" of Accounts II, it may be mentioned that, at present, works expenditure is, in some cases, brought to account under the minor head concerned. Uniformity being desirable, it is proposed that all works expenditure, when necessary should be estimated under this special head so that it may be accounted for similarly.

4. The adoption of the classification proposed above, in respect of appropriation accounts, is dependent upon its adoption for the purposes of the budget estimates. In other words, this classification, if approved, will necessitate the substitution of a summary in similar form for the summaries now printed at the commencement of the detailed estimate.

LIST No. 72.

GRANT.—TERRITORIAL AND POLITICAL PENSION.

A.—Territorial and Political Pensions (India).

(To be detailed further by sub-heads as illustrated below):—

A. 1.—Carnatic Stipends;
A. 2.—Tanjore Pensions;
A. 3.—Mysore Family Pension;
A. 4.—Oudh Wasiqa Pensions;
A. 5.—Nagpur Burhanshah Family Pensions;
A. 6.—Bhonsla Family Pensions; etc.;
A. 7.—Other Pensions.

B.—Territorial and Political Pensions paid in England (at-par):—

B. 1.—Family of the late Maharaja Duleep Singh;
B. 2.—Bengal Nizamat Family;

C.—Territorial and Political Pensions in Turkish Arabia, Bushire, Khorasan, and Persia;

D.—Charitable Allowances; and

E.—Loss or Gain by Exchange (on B above).

NOTE.—The detailed estimate of this Grant, as published in the Book of Demands, gives inadequate details. It gives only the distribution, by provinces, of the total provision, but does not indicate the distribution by heads of account or give the details thereunder. It is a question for consideration if the estimate should not give further details, *e.g.*, those proposed in the above classification.

LIST No. 73.

GRANT.—BANGALORE.

Sub-heads.

I—Police.
II.—Education.
III.—Medical, and Public Health.
IV.—Other Expenditure Heads.
V.—Refunds of Revenue.

ACCOUNT I.—POLICE.

A.—Superintendence;
B.—District Executive Force—District Police:—

B. 1.—District Superintendents and Assistants;
B. 2.—Police Force;
B. 3.—Office Establishment;
B. 4.—Allowances, Honoraria, etc.;
B. 5.—Works;
B. 6.—Clothing, and other supplies;
B. 7.—Contingencies;
B. 8.—*Deduct* Establishment charges, etc., recovered from other Governments, Departments, etc.

ACCOUNT II. EDUCATION.

A.—University Grants-in-Aid to non-Government Arts Colleges;
B.—Grants-in-Aid to non-Government Secondary Schools;
C.—Grants-in-Aid to non-Government Primary Schools;
D.—Special Government Special Schools;

D. 1. Gross charges;
D. 2. *Deduct* Charges recovered from Local Administrations;

E.—Special Grants-in-Aid to non-Government Special Schools;
F.—General Inspection;

F. 1. Gross charges;
F. 2. *Deduct* Charges recovered from Local Administrations;

G.—General Scholarships;
H.—General Miscellaneous.

ACCOUNT III. MEDICAL AND PUBLIC HEALTH

A.—Medical Hospitals and Dispensaries;

A. 1. Pay of Officers;
A. 2. Pay of Sub-Assistant Surgeons and other Establishments;
A. 3. Allowances, Honoraria, etc.;
A. 4.—Cost of medicines and diet of patients;
A. 5. Works (when necessary);
A. 6. Other Expenses;
A. 7. Grants-in-Aid to Hospitals and Dispensaries;

B.—Medical Lunatic Asylum;
C.—Public Health Establishment;
D.—Grants-in-Aid for Public Health purposes;
E.—Public Health Works;
F.—Public Health Expenses in connection with epidemic diseases;

F. 1.—Pay and Allowances of Officers and Establishments;
F. 2.—Works;
F. 3.—Medical and other expenses;
F. 4.—Deduct Charges recovered from Bangalore Municipality;

ACCOUNT IV. OTHER EXPENDITURE HEADS

A.—Excise;

[illegible] *District Establishment;*

E. 1.—Law Officers (Fees to Pleaders);
E. 2. Judicial Commissioner;
E. 3.—Civil and Sessions Courts;

E. 3 (1). Pay of Officers;
E. 3 (2). Pay of Establishments;
E. 3 (3). Allowances, Honoraria, etc.;
E. 3 (4). Contingencies;

E. 4.—Criminal Courts;

F.—Jails and Convict Settlements;

F. 1.—Pay and Allowances, and Miscellaneous Expenses;
F. 2.—Works;

G.—Agriculture—Veterinary charges;

H.—Miscellaneous Departments;

I.—Superannuation Allowances and Pensions;

J.—Stationery and Printing:—

J. 1.—Gross charges;
J. 2.—*Deduct* Charges recovered from Coorg Administration and Mysore Residency;

K.—Miscellaneous:—

K. 1.—Grants-in-Aid;
K. 2.—Other charges;
} This sub-division will be necessary only when there are any grants-in-aid.

ACCOUNT V.—REFUNDS OF REVENUE.

A.—
B.—
C.—
Etc.
} A sub-head for each revenue major head, as required. The last sub-head would be as follows:—
......—Miscellaneous Refunds:—
......1.—Surplus Revenues of the Bangalore Assigned Tracts;
......2.—Other miscellaneous refunds.

NOTES.—1. The appropriation account of this Grant should consist of (1) a general account giving the totals for each of the proposed sub-heads, and (ii) a separate account, detailed as indicated above, for each sub-head.

2. No provision has been made, in the above classification, for the expenditure major heads "5.—Land Revenue", "8.—Forest", "30.—Scientific Departments", "35.—Industries", and "43.—Famine Relief". This will be necessary only when there is expenditure under these heads.

3. At present the provision for "Refunds of Revenue" is not detailed in the Estimates. If the sub-division proposed for Account V is approved of, the necessary details will have to be given in the demands.

LIST No. 74.

GRANT.—WESTERN INDIA STATES AGENCY.

A.—Political Expenditure—Political Agents:—

A. 1.—Pay of Officers;
A. 2.—Pay of Establishments;
A. 3.—Supplies and Services;
A. 4.—Secret Expenditure;
A. 5.—Contingencies;

B.—Police Expenditure:—

B. 1.—Superintendence;
B. 2.—District Executive Force:—
B. 2 (1).—District Superintendents and Assistants;
B. 2 (2).—Police Force;
B. 2 (3).—Office Establishment;
B. 2 (4).—Allowances, Honoraria, etc.;
B. 2 (5).—Supplies and Services, and Contingencies.
B. 3.—*Deduct* Cost of additional police imposed under Act V of 1861, to be met out of the General Police Fund.

C.—Public Health Expenditure—Public Health Establishment.

NOTE.—This list is provisional, as this Agency has come into existence as a separate unit of administration only recently.

LIST No 75

Occasional Grants

There are certain classes of central expenditure for which grants are required only occasionally, the main reason being that such expenditure usually relates to provincial subjects

2 Amongst the major heads under which expenditure of this class usually falls may be mentioned the following —

5 —Land Revenue,
6 —Excise,
9 —Registration,
25 —Jails and Convict Settlements,
43 —Famine Relief

3 Prior to 1925 26, there were Grants for such of these heads as were expected to be operated on, but in the Book of Demands for 1925 26, there is no Demand in respect of expenditure under any of those heads

4 The case of "43 —Famine Relief", to take the last of these heads first of all, is peculiar Expenditure under this head is incurred only occasionally, that is, when the Central Government is called upon to undertake famine relief expenditure in the minor provinces

5 Expenditure falling under the other heads may be divided into three distinct groups —

(a) Loss or Gain by Exchange on the entire English Expenditure under the major head concerned including that relating to the separate Area Grants,

(b) Central Government s share of leave salaries of officials of provincial Governments who had at one time served under it, and

(c) Other charges

6 In respect of (a) above, no separate provision will hereinafter be necessary, as apparently the Government of India contemplate hereafter providing for the Exchange charges on English expenditure within the grants wherein the English expenditure itself is provided, *i e*, usually the grants for the expenditure under the control of the Secretary of State and the High Commissioner, respectively This change has been made with effect from 1925 26

7 For (b) above, the need will arise only occasionally So also for (c) above It will suffice, therefore, to provide a single sub head "Miscellaneous charges" for both (b) and (c) under the major head concerned whenever the need arises

8 Charges of class (b) above may occasionally appear under the major heads "24 —Administration of Justice" and "26 —Police" also When this is the case, they should be accounted for under the sub head "Other charges" which has been provided for in each of the two Grants (Nos 41 and 42) relating to central expenditure under these major heads

9 For the reasons given above, the classification of the "Occasional Grants" referred to above may be prescribed as follows —

I —Famine Relief —
A.—Salaries and Establishments,
B —Relief Works,
C —Gratuitous Relief,
D —Miscellaneous.

Note.—If the Centr[illegible] famine relief exp[illegible] on an extensive scale [illegible] ties may be provided f[illegible] by a special set of the[illegible] it by a miscellaneous set, or some other plan for [illegible] It is [illegible] which can be considered if and when the need arises.

Statement showing, separately for each Indian Grant concerned, the sub-heads proposed in respect of central expenditure in England which is provided for in Grants under the control of the authorities in India—concld.

No. and name of Grant.	Sub-head.
69. Stationery and Printing . .	B.—Stationery Stores :— B. 2.—English charges :— B. 2(1).—Paper ; B. 2(2).—Printing Stores ; B. 2(3).—Other Stores. E.—Central Publication Branch :— E. 5.—English charges (High Commissioner) on publications purchased. V.—Expenditure in England (other than charges included in B.-2 and E.-5 above) :— V. 1.—Stationery, printing, and book-binding for the India Office:— V. 1(1).—Gross Expenditure ; V. 1(2).—*Deduct* Share recovered from British Government as part of contribution towards cost of India Office ; V. 2.—Stationery, printing, and book-binding for High Commissioner's office ; V. 3.—Leave Salaries, etc.
86. Delhi Capital Outlay . .	CC.—Expenditure in England :— CC. 1.—Stores ; CC. 2.—Establishment.
87. Interest Free Advances . .	B.—Advances Repayable in England :— B. 1.—Recoverable from the Imperial Government ; B. 2.—Recoverable from others.
Ecclesiastical	G.—Expenditure in England :— G. 1.—Leave and Deputation Salaries ; G. 2.—Other charges.
Political	Account III.—Expenditure in England :— A.—Expenditure in England :— A. 1.—Leave and Deputation Salaries ; A. 2.—Stores ; A. 3.—Other charges. D.—*Deduct* Recovered from Home Government in adjustment of cost of Diplomatic and Consular Service in Persia, Arabia, Siam, etc.
Territorial and Political Pensions . .	B.—Territorial and Political Pensions paid in England :— B. 1.—Family of the late Maharaja Duleep Singh ; B. 2.—Bengal Nizamat Family.

APPENDIX 2

ANNEXURES TO PARTS II AND III OF REPORT

TABLE OF CONTENTS

ANNEXURE 1

(Referred to in paragraph 25)

Abolition of the detailed appropriation accounts of central civil expenditure by circles of account, and consequent improvement in the presentation of Central Appropriation Accounts

In the appropriation accounts of central civil expenditure the accounts circles play at present a very conspicuous part, inasmuch as practically in every case the appropriation account of a Grant is prepared in separate parts for each circle of account or audit and, in addition a consolidated account is prepared for the whole of India, *i e*, for all the accounts circles combined

2 This method of exhibiting the accounts is now proposed to be abandoned as from the point of view of the Committee on Public Accounts (or other authority) reviewing the appropriation accounts, such a division of the total expenditure of a department or subject has no particular significance Such a sub division increases enormously the bulk of the details given in the appropriation accounts and is un satisfactory in that the details in the individual accounts often convey little or no meaning A reference to the Accountant General Central Revenues' appropriation accounts for 1921 22 or 1922 23 will make this clear

3 The general rule should apparently be that as far as possible, there should be a single account for a Grant and that the sub heads of the Grant should be primarily indicative more of the nature or purpose of expenditure (*i e*, of the services paid for) than of the circle of audit wherein the money was drawn from the treasury or accounted for (NOTE —A discussion of the sub heads into which Grants should be divided has been recorded in paragraphs 28 to 37 of the Report)

4 The proposed change will result in a considerable saving in the cost of publishing the appropriation accounts Like the reduction of details referred to above this result is to be welcomed, as partly counter-balancing the increased cost which must be a consequence of the elabora tion of appropriation accounts

5 The change will however, involve an increase in the work in the office of the Accountant General, Central Revenues as the several appropriation accounts of a Grant rendered to him by the provincial Accountants General will have to be consolidated in his office by sub heads This will necessitate the employment of a small additional
on of the Appropriation
, however, likely to incon
as even at present, they
s for several months after
their submission to Government.

6 On the whole the change appears to be a desirable one as it is anticipated that the Committee will appreciate the Accounts in the changed form proposed, and is, therefore, recommended for

ANNEXURE 2.

(Referred to in paragraph 25).

Combination of voted and non-voted accounts.

The question whether it is necessary that there should be separate appropriation accounts in respect of the voted and non-voted charges relating to the same Grant has received careful consideration.

2. In some cases, the whole of the expenditure covered by a grant represents non-voted charges. These cases are simple and require no special consideration, as the accounts of the grant are not prepared in two separate sections, one for voted and one for non-voted charges.

3. In the majority of cases, however, only some items of expenditure are non-voted and the bulk of the expenditure is voted. The non-voted items very often do not represent even a whole minor head or a primary unit of appropriation, and the consequence is that the expenditure relating to a single unit of the accounts classification is presented in two different sections of the book of appropriation accounts and very often the explanation of a variation appearing in one account is dependent upon the explanation of a connected variation of another. The account relating to non-voted charges in such cases is often unintelligible by itself.

4. It is proposed to follow the plan of the Book of Demands in this respect, and to include both voted and non-voted charges in a single appropriation account when there is a non-voted grant corresponding to a voted grant. The non-voted items would be printed in italics and there would be separate totals for voted and non-voted figures.

5. It is true that the Committee on Public Accounts has no jurisdiction in regard to non-voted charges, but the inclusion of such charges in a combined account laid before them would not in any way authorise them to deal therewith, unless invited by the Government to do so. On the other hand, the combined account would be more satisfactory from the point of view of the department concerned, as the superior authorities of the department would have the appropriation expenditure accounts laid before them in a compact form which is not the case at present.

6. Incidentally, the proposal would have the result of reducing substantially the number of appropriation accounts and the size of the book of appropriation accounts—a reduction which should be welcomed as counter-balancing appreciably the increase due to the elaboration of appropriation accounts.

7. Expert advice which has been obtained as to the relative cost of printing is distinctly in favour of the combination of accounts. The change is expected to result in appreciable reduction of cost.

8. In this connection, it may be mentioned that, even at present, though the voted and non-voted charges appear in separate appropriation accounts, there is little or no distinction between matters relating to voted charges and matters connected with non-voted charges, in the reports covering the appropriation accounts, and in the Audit Report which also is laid before the Committee on Public Accounts. In the revised instructions for the preparation of appropriation accounts, etc., which have been embodied in the draft manual, it has been arranged to remedy this defect by requiring the comments upon non-voted charges to be distinguished from other comments.

ANNEXURE 3

(Referred to in paragraph 25)

Exclusion of the particulars of reappropriations made by executive authorities presentation of the particulars of Supplementary Grants in a simpler form and the consequent simplification of the Form of Appropriation Account

Detailed examination of the appropriation accounts as actually pre pared in the past of the several central civil grants supports the view held by the Committee on Public Accounts that the details given in the accounts should be elaborated This examination has further estab lished the fact that the number of sub heads into which most of the grants should be sub divided must be considerably larger than it is at present This point has been discussed separately

2 The consequent increase in the volume of appropriation accounts is bound to be considerable Special attention has therefore been devoted simultaneously to explore the possibility of effecting simplification in the form of the accounts in other directions

3 It seems possible to achieve this end to a considerable extent and without making any substantial sacrifice by making one radical change in the form in which our Indian appropriation accounts are presented We show in our accounts not only the grant as originally sanctioned and the additions subsequently authorised by the Legislature or the Governor General in Council as the case may be but also the additions and reductions made by the several executive authorities by orders of reappropriations within their respective powers of sanction and from these data we arrive at what we consider the modified grant and com pare this figure (and not the grant made by the sanctioning authority) with the actual expenditure The excesses or deficiencies are also calculated with reference to this grant It is suggested that this method of presenting the appropriation accounts be abandoned in favour of a very much simpler method which is in force in Great Britain The variations which our method brings out are not the variations from the sanctioned grant—the variations in which is interested the Committee on Public Accounts in the cases of voted grants All that the Committee is the resent ated in good time by the responsible disbursing officers and explained to superior executive authorities and that others did not pass through this process does not seem to be directly the concern of the Committee will inform the Com head in the account ed by a competent authority If disbursing officers have had to exceed the proper limits of sanction the amounts thus placed under audit objection should of course form the subject of report to the superior executive authority but this would seem to be a matter somewhat foreign to the scope of the appropriation account which should bring out in a concise form the degree of responsibility of the Government as a whole

4 In this view of the case it is considered that the present form of suitable from the point of view of the The columns showing reappropriations hose bringing out the modified grant

5. A further simplification of the form can be effected by dispensi with the three columns which are necessitated by the exhibition supplementary grants in separate columns. Normally, entries relati to supplementary grants should not be many. It is proposed, therefoı following again the British precedent, to show the combined figure the original and supplementary grants in the column for "grant" those cases in which there is a supplementary grant, and to detail tl separate figures in an inner column, only against the sub-head and t total concerned.

6. The result of these suggestions is that it becomes possible simplify considerably the form of the appropriation account (reduciı the number of columns from 13 to 5 only) and to present it in an intel gible form likely to be appreciated by the Committee on Public Accoun presenting to them just the material with which they are concerned aı which they need to enable them to discharge their statutory respons bility.

7. A sample of the new form will be found in the draft manu (Appendix 3). Special attention is invited to the footnotes of tl form which are calculated to effect minor simplifications. For instanc in a printed publication it is not necessary to carry forward totals froı page to page within an account. A single set of totals at the end of th account is sufficient.

8. It may be mentioned, in this connection, that the changes suggest ed above will not lead to any relaxation of the control exercised by th executive Government over expenditure. Actual expenditure in exces of the appropriation for any primary unit or other head of service, a revised by orders of reappropriation issued by competent authoritie from time to time, will continue to be reported to the controlling authorities concerned in all cases in which the responsibility for appro priation audit devolves upon the audit officer. Further, a collective report of the results of this appropriation audit, on behalf of the executive Government, with an analysis of outstanding objections, will continue to be submitted to the Finance Department.

9. A further advantage of these changes will be that the appropriation account will give to the Committee on Public Accounts and the Finance Department a clearer view than is presented by the book of demands, of the general accuracy or reliability of budget estimates, if they feel disposed to keep an eye on marked instances of faulty budgeting.

ANNEXURE 4.

(Referred to in paragraph 25).

Proposed change in Format.—Substitution of royal octavo for foolscap size.

The simplifications proposed in the form of the appropriation accounts in annexures Nos. 1 to 3 render it possible to reduce at once the size of the paper used for printing the accounts. The present size is foolscap, and it is proposed in future to reduce it to royal octavo.

2. Expert advice which has been taken is to the effect that the proposed change will result in considerable economy. This point is discussed fully in paragraphs 108 *et seq.* (Part III) of the Report dealing with the general question of economising the printing charges with the express object of reducing the considerable increase therein which must result as a consequence of the greater elaboration of appropriation accounts.

3 Here it is necessary merely to say that as the number of vertical columns of the appropriation account is proposed to be reduced from 13 to 5, it would be waste of paper and money spent on printing, if the foolscap size was not abandoned In other words, even if the appropriation accounts were not to be elaborated as regards the other details to be shown therein, the change in regard to columns *per se* would justify the proposed change in format

4 Quite apart from this, Mr F D Ascoli, the Controller of Printing, whose personal advice has also been sought on this point, is wholeheartedly in support of the change in format He goes further to say that even if the number of columns were not to be reduced, he would recommend the adoption of royal octavo size

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ANNEXURE 5

(Referred to in paragraph 26).

Form in which Appropriation Accounts should be summarised.

It is a question for consideration if all the appropriation accounts which are at present included in the book of Appropriation Accounts prepared by the Accountant General, Central Revenues, should be abstracted into a single summary or whether, following the British system, the 75 grants or more which the book usually covers should be divided into a number of classes so that a separate summary may be prepared for each for each class and a grand summary (for all the accounts) by classes only

2 If the British procedure is to be followed, the Central civil grants (including those brought to account by the Accountants General, Railways, and Posts and Telegraphs) may perhaps be grouped under the prescribed sections or group heads of major heads of account, viz :—

A —Direct Demands on the Revenue;

B —Railway Accounts,

C —Irrigation Accounts

D —Posts and Telegraph Accounts,

E —Debt Services,

F —Civil Administration,

G —Currency and Mint,

H.—Civil Works,

J —Miscellaneous

L.—Contributions and miscellaneous adjustments between central and provincial Governments;

P —Disbursements of loans and advances.

It will of course be necessary to drop the distinguishing letters A to P given above and to substitute therefor serial Roman numbers, [illegible] proposed to distinguish the [illegible] of individual grants by capital letters thereto as is done in Great Britain, *vide* [illegible] sub-heads in Appendix I.

ANNEXURE 6.

(Referred to in paragraph 26).

Need of formal Audit Certificates on Appropriation Accounts.

In Great Britain each appropriation account bears the audit certificate of the audit officer, *viz.*, the Comptroller and Auditor General; this in fact is the law. The account is prepared by the accounting officer of the department concerned.

2. In India all appropriation accounts of civil expenditure are at present prepared by the audit officer concerned; this is the statutory rule. The departments concerned have no separate accounting officers of their own.

3. In those circumstances, it does not appear necessary, for the present at least, that the Indian appropriation account should bear an audit certificate.

4. Hereafter, if accounts are separated from audit, and appropriation accounts are prepared by authorities other than audit officers, it will of course be necessary to change the Indian procedure.

ANNEXURE 7.

(Referred to in paragraph 26).

Need of certificates of Superior Sanction on Appropriation Accounts.

In the case of certain important spending departments, in Great Britain, a certificate of superior authority is recorded by the accounting officer concerned in the appropriation account of the department.

2. It is usually worded as follows:—

> "I certify that, to the best of my knowledge and belief, no part of the expenditure contained in the account has been incurred without authority superior to that of the department in cases where such superior authority is required by the regulations."

3. In other cases, where such a certificate is not recorded, the accounting officer's signature is held to be sufficient.

4. The necessity for this certificate arises from the system of internal check within departments which is in force in Great Britain. In India at present all audit is practically external. Although the departments concerned are responsible in India also that they obtain superior sanction of external authority where such sanction is necessary, the Audit Department (so long as the existing system of practically cent. per cent. audit continues) has to see that such sanction exists in all cases where it is necessary.

5. On the whole, it does not seem necessary to introduce this certificate in respect of those civil appropriation accounts which are prepared by non-departmental officers. It is a question for consideration (which may perhaps be taken up separately) if such a certificate should not be obtained in support of the Army Appropriation Accounts.

6. In the draft manual of instructions for the preparation of appropriation accounts Accountants General are being instructed that all cases of considerable expenditure in which necessary expenditure sanction by superior authority does not exist, should, as far as possible, be

specifically mentioned in . account concerned or in the Report on ider the existing system of recording a . . e the accounts are maintained by civil districts and not by departments, it is not an easy task for the audit office to pick out, in respect of the accounts of each Grant, the expenditure items not covered by the necessary expenditure sanction

ANNEXURE 8

(Referred to in paragraph 34)

Revision of Sub heads of Central Civil Grants other than the Grants for Railways, and Posts and Telegraphs

One of the first questions that arises in a scheme of reorganising the sub heads of Indian Grants is what should be the basis, as a rule, of determining the units for the purposes of sub division

2 Broadly speaking, at present we have two courses open to us—(1) to adopt the minor heads of the accounts classification as the units for this purpose, and (2) to substitute therefor what have come to be known as primary units of appropriation The first of these two alternatives is one that we observe at present, but a little consideration will show that a rigid observance of either of these two courses will not necessarily give satisfactory results so long as minor heads and primary units remain what they are

3 Assuming that the time has not yet arrived for considering any violent changes in our prescribed accounts classification, it is of course desirable that, in prescribing the sub heads of our appropriation accounts, our first care should be to avoid, as far as possible, serious inconsistencies between the accounts classification and the classification of Grants into sub heads for the purposes of appropriation accounts

4 If the standard accounts classification did not exist, and one of the Committees on Public Accounts in India had to devise the basis of sub dividing Grants, they would naturally devote their attention to the purposes of expenditure, and determine first of all the number of usual objects of expenditure common to most of the Grants, and then have, separately for each Grant, a number of objects of expenditure peculiar to it either on account of the technical nature of the expenditure or for other reasons Such sub division would of course be evolved by them out of the details appearing in the estimates presented to the Legislature The determination of the form and extent of those details rests with the Finance Member of the Government concerned, but it may well be presumed that in course of time a convention would arise under which, whether the Finance Member consults the Committee on Public Accounts or not, the details presented in the estimates would be more or less in the same form as those into which the Committee would desire the Grants to be sub divided for the purposes of the appropriation accounts

5 So, whilst one may assume that the estimates and the appropriation accounts . nately be prepared on a uniform basis, ie authorities of the Legislatures of the . ... to themselves, they would all prepare their estimates and appropriation accounts on similar lines

6 It was presumably with the object of securing uniformity in this respect that the statutory rules of the Reformed Constitution contemplated uniformity in the accounts classification for the whole of India

7. It is necessary, therefore, that whatever sub-heads be prescribed for purposes of appropriation accounts, they should be consistent with the classification of the general expenditure accounts into major and minor heads, those being the essential units of the Finance and Revenue Accounts. In other words, the figures of the appropriation accounts should be such as can be derived from the general accounts and should be reconcilable therewith.

8. Most of the Demands for central civil Grants are at present divided by circles of account, with the result that the main appropriation account for such a Grant has the account circle as the sub-head, and as such an appropriation account gives no indication, except in a very remote form, of the purpose of the expenditure brought to account, it has to be supported by a number of appropriation accounts (one for each account circle) with service heads as their sub-heads. It follows that the sub-division of a Grant by circles of account, or even by territorial areas, is also not suitable for the purpose of appropriation accounts, though, in the detailed administration of Grants, the Departments of Government and the responsible controlling authorities must naturally adopt some such sub-division departmentally.

9. At the same time, the expenditure on a service head in a certain locality, or in connection with a certain institution or organisation of the department concerned, may be important enough to be the subject of a special sub-head or group of sub-heads. In such a case, it would be an advantage to distinguish this expenditure from expenditure on the same service head elsewhere.

10. In other words, each important case must, after all, be decided on its own merits, and not only must the hitherto prevalent idea of attempting at uniformity between the appropriation accounts of different Governments be abandoned, but even within the appropriation accounts of a single Government uniformity of procedure, for all Grants and for all time, may be impossible to achieve.

11. The very general principles thus evolved have been stated at fuller length in paragraph 35 of the Report. They have been generally borne in mind and, on the basis mainly of the details given in the Books of Demands for 1924-25 and 1925-26, all the central civil Grants, except those relating to the commercial departments of Railways, and Posts and Telegraphs, have, therefore, been examined individually in detail with a view to determine the sub-heads to be shown hereafter in their respective appropriation accounts. The detailed recommendations, resulting from this investigation, are set forth in separate lists (76 in number), each dealing with one Grant, printed in Appendix 1. These are for consideration and approval. It may be mentioned that the departmental authorities concerned have been freely consulted and that their recommendations have been given full effect to.

12. In order to make each of the lists referred to in the foregoing paragraph complete in respect of the appropriation account of the Grant covered by it, explanatory footnotes have been recorded thereon. In these footnotes suggestions have been made (as the result of detailed investigation conducted mostly in informal consultation with the departmental authorities and account officers concerned) in respect of special points connected with the Grant. These are also for consideration and approval.

13. The recommendations made in the lists referred to are, in each case, subject to the qualification that the decisions that may be arrived at thereon will, in all cases be subject to any general principles that may be enunciated for general observance, as recommended in paragraph 35 of this Report.

ANNEXURE 9

(Referred to in paragraph 36)

Reserves for general purposes and lump sum provisions for specific purposes

It seems desirable that the Finance Department and the Committee on Public Accounts should arrive at a definite understanding as to how "reserves" should be shown in the Estimates The procedure for appropriation audit can then be easily devised

2 Gener [illegible] be intended to be placed at the disposal of [illegible] or its object may be to place at the dispos[illegible] artment additional money as a reserve

3 In the first case the provision would generally speaking be for unforeseen purposes of all Departments and the understanding would [illegible] the Finance Depart[illegible]le to another Grant, though [illegible] Grant would require to be covered by an excess grant

4 In the second case, *i e*, when the reserve is placed at the disposal of *the Department concerned, the object may be to meet the unforeseen* expenditure of the Department, or the reserve may be intended as a lump sum provision for a scheme of expenditure the adoption of which is generally anticipated, though, the scheme not having been examined in detail, a reliable estimate of its cost may not be available, *e g*, a lump sum for revision of establishment

5 Such a reserve provision sometimes appears in the estimates as a distinct item outside the details relating to any minor head of the accounts classification At other times, it is included within the provision for a minor head or a unit of appropriation

6 It is suggested (*a*) that whatever be the object of it, a reserve should always appear as a distinct sub head of a Demand (*b*) that a suitable note in the Estimate should distinguish a provision for a specific scheme from a lump sum allotted for unforeseen purposes generally, and (*c*) that it should be indicated in each case at whose disposal the reserve is placed

7 The draft manual of instructions for the preparation of audit and appropriation reports (appendix 3) provides that to the appropriation account of each Grant, wherein a reserve is provided, should be appended a statement detailing all reappropriations made from the reserve, and that, if the Committee on Public Accounts so desire, this statement should distinguish between reappropriations made for general purposes and those for new objects of expenditure and should give, in respect of the latter, the actual expenditure as well This procedure would give sufficient information to the Legislature in respect of the utilisation of reserves to meet expenditure for new purposes or for purposes outside the scope of the Grant

8 I trust it is admitted that the system of lump sum reserves should be used as little as possible Some Committees on Public Accounts have already expressed this view

ANNEXURE 10.

(Referred to in paragraph 36).

Lump Sum Deductions for Probable Savings.

1. In regard to the deductions for "probable savings" which are sometimes made in the Estimates, it is desirable that between the Finance Department and the Committee on Public Accounts a convention should be established so as to settle the procedure to be observed both in the estimates and the appropriation accounts.

2. This deduct entry does not represent any head of the accounts classification. The actual shortage of expenditure or savings will appear against the appropriate expenditure sub-heads in the appropriation account. It is considered, therefore, that the minus provision should be treated, *pro forma*, as a distinct sub-head of the Estimate so that it may appear in the appropriation account also as a sub-head and help to explain to what extent the anticipated savings are realised.

3. Ordinarily, a single deduction to cover all the probable savings of a Grant should suffice, but there would be no objection to the savings relating to several services being budgeted for separately under two or more minus sub-heads.

4. In Great Britain, if in the course of a year it is found that the anticipation in regard to savings is not likely to be realised, the Civil Contingencies Fund can be operated upon under proper sanction, before the necessary supplementary grant can be obtained or when there is no time to obtain such a grant. In India, the expedient of this fund has, however, not yet been resorted to except in one or two provinces. It is possible, therefore, that in certain circumstances a grant in which a deduct entry for probable savings was made might be exceeded even though the gross expenditure on the ordinary sub-heads making up the grant was not exceeded at all.

ANNEXURE 11.

(Referred to in paragraph 36).

Separate minus sub-heads for recoveries of expenditure.

So long as the existing system of accounts continues under which recoveries of expenditure may, in certain circumstances, appear as minus expenditure in the accounts, it seems desirable to rule that, subject to the exceptions stated below, all such credits must be recorded under distinct heads of account reserved for minus charges only, so that in all accounts including appropriation accounts it may be possible to distinguish between the gross and the net charges against a Grant, as well as a major head of account.

2. The exceptions referred to above are those authorised in rule (*b*) of statement E of Appendix 4 to the Public Works Account Code for the reasons given therein.

3. If the Finance Department finally decides to accept the recommendation made by the Central Committee on Public Accounts that both the gross and the net grants should be under the control of the Assembly, it will be prescribed in the draft manual of instructions for the preparation of audit and appropriation reports (Appendix 3) that all minus sub-heads should be totalled separately so that both the gross (total) expenditure and the net (total) expenditure against grant may be known, and the former may be compared with the gross (total) grant and the latter with the net (total) grant. This question, however, is still under consideration.

ANNEXURE 12

(Referred to in paragraph 37)

Need of special sub heads for "Rounding"

Practically in all detailed estimates an attempt is made to round off all totals and for this purpose special entries described as "For rounding" are made in the detailed statements supporting each Demand for Grant One of the consequences of this arrangement is that in the appropriation accounts also a similar plan has to be adopted

2 It is a question for consideration whether this practice should continue and whether, in consequence, a distinct sub head (which may sometimes be a plus sub head and sometimes a minus sub-head) should be provided for in the appropriation accounts in the same way as, for instance, the sub-head for probable savings

3. In Great Britain this plan is not adopted and no attempt is made to round off either the total of each sub head or the total Demand The reason for this may be that in that country the actual amount of the excess or surplus has to be worked out for the purpose of obtaining an excess Grant, for, or demanding a refund from, the department concerned, and any attempt at rounding off would cause complication

4 The alternatives open for adoption are (1) either to adopt the English practice and make no attempt at rounding off, or (2) to confine the rounding off process to the detailed statements leading to the totals of each sub head so that, in the final abstract of the estimates determining the total demand, there may be no entry for rounding off and the individual figures for the several sub heads may all be rounded figures

5 On the assumption that one of these two alternatives will probably commend itself to Government, it has been assumed that there will be no occasion to provide for rounding in the appropriation accounts, and in the draft manual of instructions for the preparation of audit and appropriation reports (Appendix 3) no provision is being made for such a special sub-head

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ANNEXURE 13

(Referred to in paragraph 38)

Appropriation Accounts should be supported by fuller explanations and reports of irregularities

In our Indian appropriation accounts at present we append to the account of the individual grant merely explanations of those variations from the grant which the account brings out Reports of serious irregularities connected with the accounts, whether discovered in audit or otherwise noticed, are, as a rule, made in the body of the Appropriation or Audit report No mention is made anywhere of any other matter connected with the account which may need explanation

2 It is suggested that in this respect also we should follow the British procedure as far as possible, viz, somewhat fuller explanations should be given, and, as a rule, the explanatory notes even when giving reports of irregularities, etc, should be appended to the appropriation account concerned so that the account relating to the expenditure of a department or subject, as presented to the Legislature or other reviewing authority, may visualise a complete picture of the transactions of the year Reports of all irregularities connected with the accounts should thus appear in the single volume of audit and

appropriation accounts—the serious ones in the Report and the others in the explanatory Notes printed just below the individual accounts.

3. The English method has the advantage, it is believed, of facilitating the business of the Committee, as, when examining the accounts of a department, the Committee have before them a complete statement of all matters relating to the department and can, therefore, deal with all such matters at the same time and also form a clearer view of the financial administration of the department.

4. This proposal has been indirectly referred to in paragraph 20A of the Report discussing the proposal to re-organise the audit and appropriation reports. It will be seen that the change recommended here will facilitate the re-organisation of the reports.

5. The procedure which is recommended for exhibiting in the appropriation accounts of central civil expenditure other than expenditure on Railways, and on Posts and Telegraphs, the particulars of losses of cash, stores, etc., (other than petty losses) is described in paragraphs 99 to 105 of the draft manual. While it is recommended that this procedure be adopted, it may be pointed out that the adoption of the procedure suggested in clauses (*d*) and (*e*) of paragraph 104 of the paragraphs quoted above will throw considerable extra work and responsibility upon accounts offices. Even if Government agree that in principle it is desirable eventually to adopt this procedure in full, they may desire at the outset not to adopt the procedure outlined in the aforesaid clauses (*d*) and (*e*).

ANNEXURE 14.

(Referred to in paragraph 38).

Secret Service Expenditure.

In Great Britain, secret expenditure is shown separately by itself even when included in an ordinary vote, and in respect of it the audit certificate of the Comptroller and Auditor General expressly states that the amounts shown in the accounts to have been expended are supported by a certificate of a Minister of the Crown. In India, the expenditure which may be said to correspond to this is, in almost all cases, mixed up with ordinary expenditure, and the appropriation accounts do not show it separately. Nor is any remark made in the appropriation account or in the covering report which would correspond to the qualified audit certificate of Great Britain. The procedure connected with this matter, therefore, requires to be settled clearly and authoritatively.

2. In the first place, there should be a clear definition of what may be considered as secret expenditure. There are various classes of expenditure which are now vaguely considered as secret, and it seems desirable that, in respect of each of these, there should be a considered decision. As some of the instances may be cited the following:—

(1) Secret expenditure at the disposal of certain Political officers:

(2) Secret money at the disposal of the Secretary of State for India, His Excellency the Viceroy, and certain Heads of provinces, etc.;

(3) Discretionary grants at the disposal of Heads of provinces, Members, Ministers, etc. (Probably not Secret);

(4) Expenditure incurred by Police, Excise, Customs, etc., Officers for obtaining secret information and other similar purposes.

3. Then, there should be definite orders indicating the functions of the audit department in respect of each class of expenditure. This would be for the Auditor General to prescribe.

4 Further, it should be prescribed who corresponds, in each case, to the Minister of the Crown in England, i e, whose certificate may be accepted in audit, what the exact terms of the certificate should be, and what check the certifying officer must exercise personally The detailed rules should be such as to ensure non evasion either by sub ordinate authorities or by the disbursing officers themselves, of those essential principles which are necessary for the exercise of efficient financial control over public money It is doubtful if adequate regula tions exist at present on all these points

5 Where net expenditure has to be watched separately against net grant, the special sub head for secret expenditure should be in two sections and the certificate on which appropriation audit is to be based should state specifically that no receipts or recoveries of expenditure in any form, have been utilised towards expenditure

6 In proposing the sub heads for the several Central Grants (other than Railways and Posts and Telegraphs) special sub heads for secret expenditure have been suggested only for a few Grants These special sub heads will require a reconsideration and it will be possible to provide for special sub heads in other Grants when the point raised in paragraph 2 above is definitely settled Thereafter, departmental authorities may be required to provide for one or more special sub heads as may be necessary for secret expenditure in their respective budget estimates, and audit officers may be given standing instructions to take up other instances of secret expenditure as they come to their notice and to seek orders as to whether special sub heads should be provided therefor

7 It is suggested that in the Demands for Grants it should be specified in respect of each special sub head for secret expenditure, on whose certificate the expenditure is to be admitted in audit. Whether or not the audit officer should append to the appropriation account a certificate indicating on whose certification the expenditure has been admitted in audit is a further question for consideration

8 Pending settlement of the several questions raised above, no special instructions are being embodied in the manual of instructions for preparing appropriation accounts it being understood that the procedure for dealing with secret expenditure is under consideration

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ANNEXURE 15

(Referred to in paragraph 38)

Extra Remuneration

In Great Britain, both in the estimates and in the appropriation accounts, detailed particulars are given of cases in which a public servant whose pay is charged to one vote receives extra remuneration, exceeding a prescribed limit (£50), brought to account against another vote

2. The adoption of this procedure in India would involve considerable work all round which would not be commensurate with the results likely to be achieved

3. Besides, it is believed that the British practice of not raising a charge against another Department, on account of the ordinary pay of an official lent to it, is of recent growth, and that, since

appropriation accounts—the serious ones in the Report and the others in the explanatory Notes printed just below the individual accounts.

3. The English method has the advantage, it is believed, of facilitating the business of the Committee, as, when examining the accounts of a department, the Committee have before them a complete statement of all matters relating to the department and can, therefore, deal with all such matters at the same time and also form a clearer view of the financial administration of the department.

4. This proposal has been indirectly referred to in paragraph 20A of the Report discussing the proposal to re-organise the audit and appropriation reports. It will be seen that the change recommended here will facilitate the re-organisation of the reports.

5. The procedure which is recommended for exhibiting in the appropriation accounts of central civil expenditure other than expenditure on Railways, and on Posts and Telegraphs, the particulars of losses of cash, stores, etc., (other than petty losses) is described in paragraphs 99 to 105 of the draft manual. While it is recommended that this procedure be adopted, it may be pointed out that the adoption of the procedure suggested in clauses (*d*) and (*e*) of paragraph 104 of the paragraphs quoted above will throw considerable extra work and responsibility upon accounts offices. Even if Government agree that in principle it is desirable eventually to adopt this procedure in full, they may desire at the outset not to adopt the procedure outlined in the aforesaid clauses (*d*) and (*e*).

ANNEXURE 14.

(Referred to in paragraph 38).

Secret Service Expenditure.

In Great Britain, secret expenditure is shown separately by itself even when included in an ordinary vote, and in respect of it the audit certificate of the Comptroller and Auditor General expressly states that the amounts shown in the accounts to have been expended are supported by a certificate of a Minister of the Crown. In India, the expenditure which may be said to correspond to this is, in almost all cases, mixed up with ordinary expenditure, and the appropriation accounts do not show it separately. Nor is any remark made in the appropriation account or in the covering report which would correspond to the qualified audit certificate of Great Britain. The procedure connected with this matter, therefore, requires to be settled clearly and authoritatively.

2. In the first place, there should be a clear definition of what may be considered as secret expenditure. There are various classes of expenditure which are now vaguely considered as secret, and it seems desirable that, in respect of each of these, there should be a considered decision. As some of the instances may be cited the following:—

(1) Secret expenditure at the disposal of certain Political officers:

(2) Secret money at the disposal of the Secretary of State for India, His Excellency the Viceroy, and certain Heads of provinces, etc.:

(3) Discretionary grants at the disposal of Heads of provinces, Members, Ministers, etc. (Probably not Secret);

(4) Expenditure incurred by Police, Excise, Customs, etc., Officers for obtaining secret information and other similar purposes.

3. Then, there should be definite orders indicating the functions of the audit department in respect of each class of expenditure. This would be for the Auditor General to prescribe.

4 Further, it should be prescribed who corresponds, in each case, to the Minister of the Crown in England, *i e*, whose certificate may be accepted in audit, what the exact terms of the certificate should be, and what check the certifying officer must exercise *personally* The detailed rules should be such as to ensure non evasion either by sub ordinate authorities or by the disbursing officers themselves, of those essential principles which are necessary for the exercise of efficient financial control over public money It is doubtful if adequate regula tions exist at present on all these points

5 Where net expenditure has to be watched separately against net grant the special sub head for secret expenditure should be in two sections, and the certificate on which appropriation audit is to be based should state specifically that no receipts or recoveries of expenditure *in any form*, have been utilised towards expenditure

6 In proposing the sub heads for the several Central Grants (other than Railways and Posts and Telegraphs) special sub heads for secret expenditure have been suggested only for a few Grants These special sub heads will require a reconsideration and it will be possible to provide for special sub heads in other Grants when the *point raised in paragraph* 2 above is definitely settled Thereafter, departmental authorities may be required to provide for one or more special sub heads as may be necessary for secret expenditure in their respective budget estimates and audit officers may be given standing instructions to take up other instances of secret expenditure as they come to *their notice* and to seek orders as to whether special sub heads should be provided therefor

7 It is suggested that in the Demands for Grants it should be specified in respect of each special sub head for secret expenditure, on whose certificate the expenditure is to be admitted in audit. Whether or not the audit officer should append to the appropriation account a certificate indicating on whose certification the expenditure *has been* admitted in audit is a further question for consideration.

8 Pending settlement of the several questions raised above, no special instructions are being embodied in the manual of instructions for preparing appropriation accounts it being understood [illegible] *procedure for dealing with secret expenditure is under consideration*

ANNEXURE 15

(Referred to in paragraph 35).

Extra Remuneration.

In Great Britain, both in the estimates [illegible] accounts, detailed particulars are given of [illegible] servant whose *pay is charged* to one vote [illegible] exceeding a prescribed limit (£50), brought to [illegible] vote

2. The adoption of this procedure in [illegible] work all round which would not be [illegible] to be achieved

3 Besides, it is believed that [illegible] charge against another Department [illegible] of an official lent to it, is of [illegible]

great war, instances of such extra remuneration have grown considerably in number. In India, the conditions seem to be very much different.

4. It is proposed not to make any move at present in the direction of following the British procedure in this respect.

ANNEXURE 16.

(Referred to in paragraph 38).

Total Cost Table.

In the case of the Civil Services Appropriation Accounts of Great Britain, there usually appears at the end of the volume what is described as the Total Cost Table and corresponds to the allied services statement given in the estimates. (Now this table is apparently printed separately). The object of this table is to show what charges have been borne by other votes (*e.g.*, Superannuation, Stationery, and Printing, Works, etc.), in respect of each department.

2. Even in Great Britain, it appears that much importance is not now attached to this table and it is beginning to be realised that at best it states approximate figures. At least its preparation by the Audit Department has now been discontinued, the duty having been transferred, to the Treasury.

3. It has already been held provisionally that the adoption of a similar table in India is not a matter of pressing necessity. Further detailed consideration of the question has suggested no new argument to warrant a modification of that decision. On the contrary, it is feared that the difficulties are likely to be considerable and that, even if such a table is prepared, the cost and trouble of its preparation will be out of proportion to its utility. The statement, at best, is an attempt at cost accounts, and the utility of the wholesale adoption of cost accounts for administrative services is still a matter open to dispute. In any case, such statements cannot be prepared without the help of the departments and offices concerned, and as these have no accounting branches, it is too much to expect them to do justice to the work. In the case of provincial expenditure, the preparation of such a table is likely to create the further difficulty of the incidence of the extra cost of preparing such statements. Apart from the propriety of audit offices being burdened with the preparation of statements which cannot be based upon booked accounts submitted to audit, the extra expenditure of the Audit Department, if the work is entrusted to that department, cannot reasonably be borne by the Central Government and it will probably be necessary to advise a provincial Government, desiring the preparation of a Total Cost Statement, either to make its own arrangements or to re-imburse to the Central Government the extra expenditure resulting from the additional work thrown on the Audit Department.

4. In these circumstances, it appears advisable to drop this question altogether for the present. This decision, if taken, is not likely to cause any administrative embarrassment, because it is always open to Government to have a suitable *pro-forma* account prepared whenever the consideration of any administrative question necessitates the preparation of a consolidated account showing the true cost of a department including the allied services usually included in the cost of other departments.

ANNEXURE 17.

(Referred to in paragraph 38).

Dead Stock Accounts

It is a very difficult question to determine what details, if any, should be given in the appropriation accounts in respect of those various items of dead stock and immovable property existing in the possession of various departments of Government, of which either no accounts are maintained, or the only accounts kept are numerical records not subjected to the scrutiny of an audit officer or even of an administrative officer

2 The Central Committee on Public Accounts desired this matter to be considered An enquiry has been set on foot by the Auditor General, and it will be some time before the result will be known In the meantime, the following observations may perhaps receive consideration

3 The first point that arises is that any information that it may be found possible to append to the appropriation accounts will not be derived from audited accounts if it is derived from any accounts at all.

4 The responsibility for preparing the statements to be appended will, therefore, for many years to come, devolve upon departmental officers Gradually, as and if the audit of any of these stores accounts is entrusted to the Audit Department the question may change, but there is no early prospect of this

5 The next question is whether any accounts exist at all. In the Public Works Department, registers (not regular accounts) of immovable property are no doubt maintained, so also in the Railway and Telegraph Departments The money values shown in these registers may or may not be correct, as they are not subject to audit except perhaps in respect of residential buildings These registers are maintained by divisional and circle officers, but it is doubtful if there are any provincial records or if any summaries of the circle records are made.

6 Plant, machinery, and "tools and plants" are listed in some departments, perhaps not in all, but beyond the numerical records (which are maintained by divisions only) probably no value accounts are maintained for these anywhere

7 In museums, educational institutions, and offices and other libraries, there probably are catalogues or lists of existing [illegible] apparatus, books, etc, though it is doubtful if the records are [illegible] everywhere or even do exist Probably these records do [illegible] values Similarly, every head of office whether the office be [illegible] or small, ought to have a list of the furniture and other property in possession of the office These records also, if maintained, [illegible] values

8. The foregoing is not an exhaustive description of all the [illegible] owned by the Government or purchased out of public [illegible] has still life in it and therefore represents [illegible] interest of the tax payer it may be desirable to [illegible]

9 The question, therefore, of deciding what should be [illegible] to this matter is, as stated in the beginning, a very [illegible] difficult one The values involved are no [illegible] difficulties connected with the bringing of [illegible] parliamentary control are no less It is [illegible] form the subject of a separate detailed [illegible]

10. It may, however, be mentioned in this connection that the British Public Accounts Committee of 1919, also recommended the general extension, throughout Government departments in Great Britain, of a trial scheme of furniture inventories which had been previously adopted in three departments in London. The result of the trial scheme, it appears, was that the cost of maintaining the inventories was found to be out of all proportion to the value of results obtained. The office of works, which tried the scheme, recommended its abandonment, but naturally the Treasury were unable to agree to the opinion of that department as to the maintenance of the inventories. At the same time, it seems that the matter has not been so far seriously pursued, as it appears from paragraph 13 of the Comptroller and Auditor General's Report on the Civil Services Appropriation Accounts of 1922-23 that the Treasury has proposed to await more settled times before reviving the scheme throughout departments.

ANNEXURE 18.

(Referred to in paragraph 38).

Comparison of voted and actual strength.

In Great Britain, in the appropriation accounts of the Army and Navy Services, the actual strength of these services is compared with the numbers voted by Parliament, statistical tables being appended to the accounts for the purpose.

2. It is a question for consideration if similar statistical information, in a suitable form, should not be appended to the Indian appropriation accounts for—

(*a*) the Police Grant;

(*b*) those Grants in which appear charges in connection with forces of a *quasi*-military or police character engaged on watch and ward on the various frontiers, and in some of the frontier areas; and

(*c*) the Grant for expenditure in connection with the reorganisation of Imperial Service Troops.

ANNEXURE 19.

(Referred to in paragraph 38).

Passages to Governors, etc.

Amongst the statements appended to the British appropriation accounts is one relating to passages to Governors, etc., which is affixed to the appropriation accounts of the Diplomatic and Consular Votes concerned.

2. This statement gives the name of each Governor or other colonial officer to whom payment is made, also a brief description of the payment and the amount paid.

3. It is a question for decision if similar statements should be appended to Indian appropriation accounts in respect of any analogous payments. For the present, in the draft manual of instructions for the preparation of audit and appropriation reports (Appendix 3), it has been assumed that this information will not be required.

ANNEXURE 20

(Referred to in paragraph 38).

Statistical Information

Among the notes appended to the appropriation accounts in Great Britain are some notes, statements, etc., which may be described as statistical information, in some cases derived from the accounts and in others not so derived

2 There, as the appropriation accounts are prepared and the notes appended thereto are written by the accounting officers of the departments concerned, the matter is a simple one and such information can be easily incorporated

3 In India, at present the appropriation accounts are prepared by audit officers So information of this character, if required by the Committee on Public Accounts, can be made available by audit officers only by applying to the departments concerned.

4 If the separation of audit and accounts is completely effected and appropriation accounts are also prepared in India by departmental officers, it will be possible to get statistical information [illegible]

5 The question for decision is to what extent such information may be required to be given in the present transitional stage.

6 Instances of information of this kind will be found in the appropriation accounts relating to votes like those of the [illegible] Prisons Departments.

7 It may be mentioned in this connection that in India [illegible] tion is at present given in the majority of cases in the annual Administration Reports which are prepared by the departments [illegible] These reports are, however, executive documents and [illegible] published with or without covering resolutions [illegible] concerned, they are seldom presented [illegible] though now and then some of them may be laid on the table of the House in answer to relevant questions.

8 In pre reform days when there was no [illegible] effective control on financial matters, [illegible] perhaps the only documents in which [illegible] as well as their financial bearing could [illegible] upon For purely financial [illegible] one hand, the Finance and Revenue [illegible] and, on the other hand (to a [illegible]) reports, etc, submitted to the executive [illegible] the Reformed Constitution [illegible] laid before the Legislature in India [illegible] the statistics and information [illegible] and Revenue Accounts and [illegible] gradually creep into the appropriation [illegible] that the statistics, etc., are [illegible] accounts.

9 That any statistical [illegible] Public Accounts may [illegible] appropriation accounts is contained [illegible] sufficient justification [illegible] accounts. If so, it follows [illegible]

desire any such information, and they are entitled to receive it because it is pertinent to the appropriation accounts, it should appear either in the appropriation accounts submitted to the Committee, or in the detailed estimates (Demands for Grants) presented to the Assembly. Whether its publication simultaneously in other reports, etc., laid before the Committee should continue, is of course a separate question for consideration.

10. In the draft manual of instructions for the preparation of audit and appropriation reports (appendix 3) no rule is being prescribed definitely requiring, in any case, the incorporation of statistical information in the explanatory notes appended to appropriation accounts.

11. As instances of statistical information given in the British appropriation accounts may be cited the following:—

Education—

Comparison of the numbers and remuneration of officials, as provided for in the Estimate and as actually employed during the year.

Comparison between the estimate and expenditure of different classes of institutions.

Variations in the number of scholars.

Analysis of expenditure by objects of expenditure.

Comparison between the estimate and actuals of—

(i) number of students,

(ii) average tuition grant,

(iii) average maintenance grant.

Variation in the number of schools on the grant list.

Comparisons, as above, with the corresponding figures of one or more previous years.

Prisons—

Estimated number of prisoners.

Actual daily average number of prisoners.

Daily average number of criminal lunatics maintained in certain asylums.

Daily average number of invalids, lunatics, paupers, etc., maintained in the colonies.

12. Statistical information may relate to Government expenditure brought to account in the appropriation account or to expenditure met by the grantee out of a Government grant-in-aid.

ANNEXURE 21.

(Referred to in paragraph 38).

Payments not accounted for in proper year.

In Great Britain there are somewhat elaborate rules for determining the year against the appropriation account of which a particular charge must be taken. In India, the procedure is different both in regard to the general principles and to the details. Here, broadly

speaking, expenditure is charged against the account of the year within which the *money* is drawn from one of the recognised treasuries, and adjustments in account due to correction of errors, settlement of remittance transaction, etc., are also made under rules which, in some respects, are different from those observed in Great Britain.

2 The justification for the British system is said to lie in the wording of Section 24 of the Exchequer and Audit Departments Act which uses the expression "the sums which may have actually come in course of payment within the same period (the financial year); and no imprest or advance of the obligation of which an account may not even be rendered to and allowed by the accounting department, shall be included on the discharge side thereof".

3 In the absence of anything definite, either in the Government of India Act or in the statutory rules framed thereunder, we have perhaps no legal obligation to follow the British system. Nor does it appear desirable to consider any change in the established procedure and rules of account.

4 *In these circumstances, presumably it will be held that no change* need be made in our procedure, for the present at least. It will perhaps be considered sufficient to rule that the explanatory notes appended to appropriation accounts should give brief particulars of all important payments which are known at the time either to have been omitted from the account of the year or to have been charged against it though pertaining to the grant of the previous year. A rule to the effect has been inserted in the draft manual for the preparation of audit and appropriation reports (appendix 3), and it has been made clear that this rule applies not only to payments but also to those recoveries which are taken in reduction of expenditure, and to all adjustments between heads of account which are due to be effected before the annual closing of accounts. Emphasis is also being laid on the recent orders of the Government of India as reproduced in para. 14 of Finance Department Resolution No [illegible], dated 16th April 1925, dealing with the Report of the Central Committee on Public Accounts for 1924.

APPENDIX 2

(Referred to in paragraph [illegible])

List of regular or pro forma commercial accounts prepared.

Grant No 17—Salt.—A Trading Account, a Profit and Loss Account, and a Balance Sheet for the Northern India Salt Revenue Department.

Grant No 19—Opium.—A Trading Account, a Profit and Loss Account, and a Balance sheet for the Ghazipur Opium Factory, after the enquiry which is proceeding at present in connection with the introduction of the commercial system of accounts in the Opium Department (including the Ghazipur Opium Factory) is completed.

Grant No 20—Stamps.—The usual Trading and Profit and Loss Accounts, Capital Account, and Balance Sheet for the Security Printing Press in forms to be determined at the time.

Grant No 43—Ports and Pilotage.—It is for consideration if one or more *pro forma* Profit and Loss Accounts should be appended to the appropriation account for that Grant. [illegible] the Commerce Department.

Grant No. 47.—Botanical Survey.—A *pro forma* Trading Account, etc., in respect of the Cinchona plantation. Form being considered by the Director of Commercial Audit.

Grant No. 53.—Medical Service.—A Manufacture Account for the X-Ray Institute, Kasauli.

Grant No. 54.—Public Health.—A *pro forma* Profit and Loss Account for Vaccines and Sera manufactured at the Central Research Institute, Kasauli.

Grant No. 55.—Agriculture.—A Trading Account, a Capital Account, and a Balance Sheet for each of the three institutions named below:—

(1) Imperial Cattle-breeding farm at Karnal,
(2) Imperial Institute of Animal Husbandry and Dairying, Wellington, and
(3) Imperial Institute of Animal Husbandry and Dairying, Bangalore.

Present forms to be retained provisionally.

Grant No. 56.—Civil Veterinary Services.—A *pro forma* Manufacture Account for Vaccine and Sera manufactured at the Imperial Institute of Veterinary Research, Muktesar. Form similar to that for the Central Research Institute, Kasauli.

Grant No. 64.—Miscellaneous Departments.—*Pro forma* Profit and Loss Accounts for—

(1) Indian Stores Department, as a whole, and
(2) Each of the various organisations of the department.

Present form with very slight modification.

Grant No. 65.—Currency.—Probably a *pro forma* Profit and Loss Account of the department is not necessary (*e.g.*, a statement giving the all-India Totals of Accounts Nos. 62 and 62-A of the Finance and Revenue Accounts). But when the manufacture operations commence in India it may be found desirable to have capital and revenue accounts and a balance sheet.

Grant No. 66.—Mint.—A Manufacture or Profit and Loss Account for each of the two mints. Form to be determined when the accounts are commercialised.

Grant No. 69.—Stationery and Printing.—*Pro forma* Trading Accounts, separately for each of the major printing presses, in the forms (for the present) recently devised for purposes of administrative reports of the Department.

Grant No. 77.—Andamans and Nicobar Islands.—

(1) A *pro forma* Profit and Loss Account of the working of "S.S. Maharaja". Form to be settled by the Accountant General, Central Revenues, in consultation with the Chief Commissioner, Andamans, and the Controller of Marine Accounts, Bombay, who audits the accounts of the charges in connection with the vessel.
(2) A Capital and Revenue Account and Balance Sheet for the forest expenditure of the penal settlement. Form to be settled.
(3) *Pro forma* Profit and Loss Accounts for—
   (*a*) the Bakery,
   (*b*) the Dairy Farm, and
   (*c*) the Slaughter House, maintained in connection with the Commissariat Department of the Settlement.
(4) Manufacture Accounts for jail factories, printing press, etc.

ANNEXURE 23

(Referred to in paragraph 61)

List of Store Accounts proposed

Grant No 17 —Salt —A Store Account each for (1) Northern India Salt Revenue Department, and (2) Other salt sources

Grant No 19 —Opium —A Store Account in the form of Account No 17-A of the Finance and Revenue Accounts When the enquiry which is proceeding at present in connection with the introduction of the commercial system of accounting in the Opium Department (including the Ghazipur Opium Factory) is completed, it may be possible to have a fuller Store Account in respect of the opium received from all sources, its disposal by sale or otherwise, and the balances held in store

Grant No 20 —Stamps —A store account in respect of (1) postal stamps (2) non postal stamps and (3) plain paper stocked in the Central Depot at Calcutta If desired, (1) may be appended to the appropriation account of the Posts and Telegraphs Grant prepared by the Accountant General Posts and Telegraphs Non postal stamps may be shown separately for judicial and non judicial stamps, if desired The Store Account should show the cost price and not the face value of the stamps but in respect of stamps written off, the face value should also be given in a foot-note to the account For further details see list of proposed sub heads of Grant No 20 in appendix I A separate Store Account for the Security Printing Press when it begins to function

Grant No 22 —Irrigation —A Store Account for the sub head "Stock"

Grant No 44 —Survey of India —A Store Account each for (1) Maps and (2) Mathematical Instruments

Form under discussion with the Audit Officer

Grant No 47 —Botanical Survey —A Store Account for the Cinchona Plantation

Grant No 53 —Medical Service —A Store Account for the X Ray Institute Kasauli

Grant No 54 —Public Health —A Store Account for Vaccine and Sera manufactured at the Central Research Institute, Kasauli

Grant No 55 —Agriculture —It is a question for consideration if, in addition to the trading accounts proposed separately, there should not be Store Accounts for the Animals belonging to the institutions named below —

(1) Imperial Cattle breeding farm at Karnal,

(2) Imperial Institute of Animal Husbandry and Dairying, Wellington and

(3) Imperial Institute of Animal Husbandry and Dairying, Bangalore

Grant No 56 —Civil Veterinary Service —A Store Account for Animals belonging to the Imperial Institute of Veterinary Research, Muktesar

Grant No 65 —Currency —A Store Account of the stock of paper for currency notes when the manufacture operations commence in India

Grant No. 67.—Civil Works.—A Store Account for the sub-head "Stock".

Grant No. 69.—Stationery and Printing.—A Store Account for (1) paper, (2) type-writers, (3) publications, and (4) other stores, as the case may be, in respect of (*a*) Stationery Stores, (*b*) Central Publication Branch, and (*c*) Each of the major printing presses, *viz.*, those at Calcutta, Delhi, Aligarh and Simla.

Grant No. 77.—Andamans and Nicobar Islands—

1. A Store Account for the Forests the penal settlement.
2. A Store Account for Jail factories.
3. It is a question for consideration if Store Accounts should be appended to the appropriation account for this Grant in respect of—
   (1) the Bakery,
   (2) the Dairy Farm, and
   (3) the Slaughter house maintained in connection with the Commissariat Department of the settlement.

Grant No. 86.—Delhi Capital Outlay.—A Store Account for the sub-head "Stock".

ANNEXURE 24.

(Referred to in paragraph 40).

Extracts from a letter, dated 9th February 1925, from the Comptroller and Auditor General of Great Britain, describing the British procedure relating to grants-in-aid.

1. I feel some doubt as to the exact interpretation which is to be placed on the questions thus put, but I have construed them as involving the following points:—

(1) What principle or criterion shall be adopted in determining the cases in which the detailed expenditure of institutions, trusts, local funds, etc., which, whether attached to Government Departments or not, are financed either wholly or in part out of public funds voted by Parliament, shall be examined on behalf of Parliament and their accounts presented to the House of Commons;

(2) Shall the accounts of institutions so selected be annexed to the Appropriation Accounts of the Parliamentary Votes, and

(3) In what form or in what detail shall those accounts be exhibited?

2. * * * * If I am to give a general and brief answer I would say that the course to be adopted in any particular case may depend in greater or less degree subject always to certain general principles of Government accounting upon considerations of practical convenience and upon the particular circumstances of each grant, such as the nature of the institution, the extent to which it is under Government direction or control, the objects for which the grant is given, or the ratio between the Government contribution and the total income of the body concerned.

3. I fear, however, that a general answer of this kind will be of ttle help to you and so I will amplify it, though I shall be obliged to nter into some detail

4 It may help to clear the ground if I deal first with a question of orm As you will know, the Appropriation Accounts are "accounts the appropriation of the several supply grants comprised in the Ap ropriation Act of each year" and are prepared under the statutory irections given by the Exchequer and Audit Departments Act, 1866 * hat Act requires (section 24) that these accounts shall show on the ne side the sum or sums appropriated by Parliament for the service f the financial year and on the other side the sums which may have ctually come in course of payment within the same period There is o statutory obligation to include in or append to an Appropriation ccount any information beyond this Next the general Acts (not being he Annual Appropriation Acts) which authorise expenditure to be met ut of funds voted by Parliament frequently contain directions that ccounts relating to the service authorised shall be presented to Parlia- ent (a good illustration is afforded by the Statutes which regulate the ystem of Unemployment Insurance) But these directions for the ost part are quite general and rarely specify the particular form in hich an account shall be prepared Again, the Executive has, of ourse, complete power to present to Parliament any return or account sees fit and in many cases where there is no statutory obligation it oes in fact present such returns or accounts sometimes "proprio otu" in matters which it judges of general interest and importance nd sometimes to meet wishes which may have been expressed by a ommittee of the House of Commons or by members in debate Except here there are detailed statutory provisions (and this rarely occurs) t is for the Treasury to determine what form any such accounts shall ssume

*Excheq and Aud Departm Act, 1866, s 2

5 I will now endeavour to illustrate the criteria which are adopted n determining the cases in which the accounts of institutions, funds, tc, such as you have in mind shall be presented to Parliament

6 The fundamental principle underlying expenditure out of votes of Parliament is, as you know, that the sum which may be charged against Vote or Grant for a particular year must be limited to the cash which has actually come "in course of payment" in the year and that o imprest or advance of the application of which an account may ot have been rendered to and allowed by the accounting department hall be included The difference between the total amount of any Vote and the sum actually expended must be surrendered by the Accounting Officer of the Vote to the Exchequer Further, all expendi ure out of supply grants must be examined on behalf of the House of Commons by the Comptroller and Auditor General, and the results eported to Parliament

7 It has been found that cases arise in which it is difficult or nconvenient completely to apply, without modification the rule that xpenditure not finally vouched in detail must be excluded from the account, and the money involved be treated as part of the 'unexpended alance of the grant' and surrendered

8. To meet cases of this kind the expedient has been devised of asking Parliament to vote particular sums under the technical descrip- tion of "Grants in Aid" (* * * *) The effect of voting a sum under the designation of a Grant-in Aid is invariably this that once the Accounting Officer of the Vote has paid the sum in question over to another person or account the whole sum so paid (which cannot be greater but may be less than the sum estimated) may be charged against

the Vote for the year and the Accounting Officer is absolved from the necessity of surrendering any portion of that money, which may not have been actually expended by that person or from that account in the course of the year. Next, in some cases, but not all, a Grant-in-Aid has the further effect of absolving the Accounting Officer and the Comptroller and Auditor General from the obligation of obtaining any account of the manner in which the money has been expended in detail. The question whether Parliament should be asked to resort to this expedient is decided by the Treasury on the merits and according to the circumstances of each case and the Estimate for the service presented to Parliament must show clearly on its face the fact that it is proposed to grant a particular sum as a Grant-in-Aid and the conditions in regard to it.

9. There is, so far as I am aware, no code of rules by which the Treasury is governed in this matter, but it will perhaps be helpful if I illustrated the considerations to be taken into account by some examples taken from the Estimates for Civil Services for the year 1922-23 and the Civil Services Appropriation Accounts for the same year, of which copies are forwarded herewith. The types of cases vary between limits which are widely separate. At one end of the scale you may have the simple case where the Government, acting like any private person of Art, Science, or Literature, wishes to make a contribution to the funds of some well known society which is independent of Government control. In such cases it is sufficient for the Government to pay its contribution or subscription over to the treasurer of the society and it is thought unnecessary to investigate the actual purposes to which that money is applied in the hands of the society or to present to Parliament any detail of the expenditure of the society, which, broadly speaking, is available in the reports issued for the information of the public. All the grants-in-aid in Class IV, Vote 8, Scientific Investigation, belong to this class (no surrender; no audit by the Comptroller and Auditor General) with a qualification, explained in the footnote of the Estimate, which affects the Imperial Mineral Resources Bureau and the Medical Research Council. At the opposite end of the scale you may have a fund fed entirely by contributions from the Government and entirely under Government control, *e.g.*, the Government Hospitality Fund, Class VI, Vote 11 of the grants allotted to the trustees of the National Museums and Picture Galleries for the purchase of Works of Art (Class IV, 2, 3, and 4). In these cases the recipients are obliged to account in detail to the Comptroller and Auditor General for the whole of their expenditure, but they are not required to surrender any unexpended balance in their hands at the end of a financial year. This concession may be made for reasons such as follow. In some instances expenditure fluctuates violently and it has been found convenient to allow the administrators to retain in their hands a balance sufficient to meet a sudden emergency, without the delay involved in obtaining a further Vote of Parliament. Sometimes it may be convenient to give the State assistance to a particular undertaking in the form of a fixed annual grant over a series of years. In the particular case of the purchase grants for Museums or Art Galleries, exemption from surrender has been found economical for the State and convenient for the trustees, where the money destined for the purchase of Art objects required to be paid away by a definite date, or failing this to be surrendered, there would be a temptation to spend the whole sum merely in order to avoid a surrender. The arrangement thus operates as a direct inducement to the trustees to nurse their resources.

10 The Imperial Trust for the Encouragement of Scientific and Industrial Research, to which you specifically refer, is an example of a fund created by a single large grant of Parliament in 1917 18, the expenditure out of which will continue for some years and must be accounted for in detail The Grant-in Aid of Universities and Colleges, *Great Britain Class IV, Vote 10* illustrates a *slightly different type* of Grant in Aid given to avoid technical difficulties which might other wise arise owing to the rather complicated system of allocation and distribution In this case the individual sums to be given to the Universities and Colleges are fixed by the Treasury on the recom mendations of a special Committee The total required is voted in one sum as a Grant-in Aid and it is paid over to a Deposit Account from which it is *in due course distributed to the various Colleges* In this case audit extends to the Deposit Account *i e* the Comptroller and *Auditor General is required to see that sums issued from the Deposit* Account to the various institutions are supported by the receipts of the proper authorities but he is not concerned to inquire what happens with the money once it has reached an individual institution

11 In cases of [illegible] re out of which must be examined [illegible] General Parlia- ment must be infor [illegible] and it has been found broadly speaking most convenient that accounts of expenditure out of these Grants should be appended to the Appropriation Account of the Vote whence the money was provided The rule is not however, invariable as in some cases the *information* may be more conveniently given in connection with some other account which is certified by the *Comptroller and Auditor General and laid separately before Parlia ment e g* the National Health Insurance Fund

12 Annexed to this letter is a classified list of the accounts and *statements* which were *appended to the Civil Services Appropriation* Accounts for the year 1922 23 Class A which is the largest covers the cases with which I have dealt at length above in which Grants in Aid have been subject to examination by the Comptroller and Auditor Gene ral Class B covers accounts/ the presentation of which to Parliament has been specifically directed by some general statute and which are sub ject to audit by the Comptroller and Auditor General Class C covers those accounts or statements which are of an explanatory or informative nature and have been appended to Appropriation Accounts either by *direction of the Treasury* or to meet expressed *wishes of the Public* Accounts Committee Class D includes the accounts of certain funds which are *controlled by Departments* and wholly or partly financed from public funds but not by issues of Grants in Aid Class E covers accounts or statements of *funds or trusts* not relating to public monies which are administered *ex officio* by the officers who account for the Votes to which they are annexed The services or trusts in question are comparatively small Class F covers certain accounts showing the results of manufacturing etc, operations (These accounts in Class F might logically be included in the separate Volume [illegible] issued of Trading Accounts which are accounts and [illegible] prepared as nearly as possible in the *ordinary* [illegible] of Trading or Commercial services conducted by Government [illegible] The *statements* do however, link up *with the Votes* [illegible])

13 The reason for including in the Appropriation [illegible] accounts in Class B to F inclusive is broadly, [illegible]

14 The form of these various *accounts or* [illegible] the Treasury For the most part being [illegible] *tion Accounts* which are cash accounts, [illegible]

cash receipts and expenditure, showing balances in hand. In the case of the Imperial Trust for the Encouragement of Scientific and Industrial Research (Class IV, Vote 9), there is an Income Account and a Balance-Sheet, these having been found more suitable for the peculiar circumstances governing the trust.

ANNEXURE 25.

(Referred to in paragraph 44).

Examples of conditions attaching to some British Votes in respect of Grant-in-Aid.

(1)

This grant-in-aid "is not accounted for to the Comptroller and Auditor General. The unexpended balances of issues out of this grant are not required to be surrendered at the close of the financial year. The audit is, however, undrtaken by the Comptroller and Auditor General in accordance with the terms of the Royal Charter."

(2)

"The sum provided on this sub-head is transferred to a Deposit account and issues out of this account are audited by the Comptroller and Auditor General, but any unexpended balance remaining on that account is not required to be surrendered at the close of the financial year."

(3)

"This grant is paid to a separate Fund, called the Highlands and Islands (Medical Service) Fund. Subject to regulations made by the Treasury with respect to accounts, audit and accumulation, the Fund is administered by the Board in accordance with the schemes made by the Board with the consent of the Treasury. Any unexpended balance of the sum issued is not liable to surrender at the close of the financial year."

(4)

"1. The miscellaneous grants provided under sub-heads G. 1—8 and Q. 1—4 will be subject to conditions approved by the Treasury.

2. Local Authorities and other bodies will be required in general to submit statements of accounts duly audited, in support of claims for any of the grants provided under sub-heads F. 1, G. 1—4, G. 7 and Q. 1—4. If in any special circumstances a statement of accounts duly audited is not submitted, the Ministry may make payment upon the production of vouchers or other evidence to the satisfaction of the Ministry for the expenditure in respect of which a grant is claimed. The claims for the grants provided under sub-head G. 8 will be subject in the case of Local Authorities and Statutory Bodies to examination by District Auditors, and in the case of Public Utility Companies to such audit of acounts and the production of such other evidence as the circumstances of individual cases may require. Issues in respect of the grants provided under these sub-heads will be made from time to time in advance of the audit of accounts, on the basis of a percentage of the estimated expenditure, and the amounts so issued will not be liable to surrender, any necessary adjustments being made upon subsequent grants."

(5)

"Issues in respect of the grants in aid of the National Health Insurance Funds (England and Wales) provided under sub heads H 1, H 2, R 1, and R 2 will be made from time to time in accordance with the provisions of section 54 of the Act of 1911 and section 28 of the Act of 1913, on the basis of the estimated Exchequer liability in respect of the statutory proportion of the sums required to meet the cost of benefits and the expenses of administration No surrender will be made in respect of sums issued to the respective Funds out of the grants in aid, but any adjustments that may be necessary when the sums due to be credited to a society or committee out of those grants are finally ascertained, or as the result of the under mentioned audit of the accounts of Societies and Committees, will be made by deductions from subsequent grants"

(6)

"The grants out of the moneys provided under sub heads H. 3, H 4, R 3, and R 4 will be subject to such conditions and calculated in such manner as may be approved by the Treasury The grants made to Approved Societies and Insurance Committees will be paid to the respective National Health Insurance Funds for the credit of the Approved Societies and Insurance Committees concerned

The accounts of the National Health Insurance Fund, including the Funds subsidiary thereto, will be audited by the Comptroller and Auditor General in accordance with section 54 (5) of the National Insurance Act, 1911 The accounts of expenditure by Approved Societies and Insurance Committees will be audited by auditors appointed by the Treasury in accordance with the provisions of sections 35 and 60 of the National Insurance Act, 1911, and section 33 of the National Health Insurance Act, 1918"

(7)

"These grants are in respect of the full cost of the services specified, and are payable to the County Agricultural Committees, whose accounts are audited by the District Auditors of the Ministry of Health, as part of the accounts of County Councils Any balances unexpended at the close of the financial year are treated as advances on account of the succeeding year"

(8)

"The grants under (a) and (b) are made on the basis of a specified proportion of the approved capital expenditure incurred by the Colleges, Institutions or other bodies by whom the educational arrangements are to be made

The grants in aid under (b) are annual block grants fixed in amount for a term of years

[illegible] of salaries and expenses [illegible] cent of other approved [illegible] ces are made from time [illegible] the estimated grants and final payments are made on the production of accounts audited by the District Auditors of the Ministry of Health. The amounts provided represent advances on account of the preceding year."

(9)

"The grants are payable to the Colleges, and other bodies by whom the experiments, researches and investigations are to be made, on the basis of the actual approved expenditure within specified maximum. Payments on account of the estimated approved expenditure are made from time to time. Any adjustments found to be necessary on the production of the audited accounts for the year are made in the succeeding year. The amounts provided represent advances on account of the four quarters falling in the current year with the adjustment before-mentioned."

(10)

"The grants-in-aid are payable to the Cattle Pleure-Pneumonia Account for Great Britain under the provisions of the Diseases of Animals Act, 1894. The Cattle Pleure-Pneumonia Accounts are audited by the Comptroller and Auditor General, and any unexpended balance at the close of the financial year is subject to the Regulations contained in the Second Schedule to the Act."

(11)

"The grant-in-aid is payable to the Small Holdings Account, which is audited by the Comptroller and Auditor General. Issues will be made to the account from time to time as required in respect of the several items and any balance of the sums issued which is unexpended at the close of the financial year will not be subject to surrender."

(12)

"The Grants-in-Aid provided under Sub-head H. are payable to the Agriculture (Scotland) Fund established by Section 5 of the Small Landholders (Scotland) Act, 1911. The accounts of Fund are audited by the Comptroller and Auditor General. The balance on the Fund Account is not subject to surrender to the Exchequer at the close of the financial year."

(13)

"The Grants provided under Sub-head M. 1 (*a*) and M. 2 are in respect of the approved maintenance expenditure of the Agricultural, etc Colleges on agricultural education less income from other sources. Advances are made as required in advance of the submission of audited accounts, and any sums advanced in excess of the amounts found to be due according to the audited accounts are treated as payments in respect of the succeeding year."

(14)

"The Grant to the Scottish Agricultural Organisation Society (Sub-head E. 2), is in respect of the approved expenditure of the Society less the income from other sources. Advances are made from time to time and the final instalment of the Grant is paid after the submission of audited accounts."

ANNEXURE 26

(Referred to in paragraph 72)

Reporting of Financial irregularity, and commenting on individual appropriation accounts

In discussing the changes proposed to be made in the Audit Report, certain suggestions are made in annexure No 30 regarding the mentioning of financial irregularities in Audit and Appropriation Reports

2. As suggested therein and in paragraph 22 of this Report relating to the proposed enlargement of the scope of audit and appropriation accounts, it is recommended that the audit and appropriation accounts of the future should be self-contained in respect of all matters connected with the appropriation accounts One of these matters is the mentioning of financial irregularities and recording of other comments arising as the result of audit applied to the accounts

3. It remains here on this note to consider how these matters should be exhibited in the audit and appropriation accounts

4. In this respect, it is suggested that the British plan be followed as far as possible. Under this plan, the main rule would be to append to the foot notes to the respective appropriation accounts, along with the explanations of variations between grant and expenditure, all audit comments relating to the accounts, so that, when reviewing the account of the expenditure falling under a sub-head of the appropriation account, it may be possible by reference to the foot notes to the sub-head, readily to get a record of all connected irregularities deserving of attention.

5 The more important comments, which would ordinarily be the serious financial irregularities should, however, receive greater prominence than would be possible under this plan, and, with this object, they should be mentioned, as in Great Britain, in the Audit Officer's Report on the Appropriation Accounts. In order that, when reviewing the appropriation account of a grant the serious financial irregularities connected therewith may be readily referred to, the section of the report dealing with the more important [illegible] should be so prepared as to arrange the comments by grants.

6 It is not necessary to overburden the Report on the Appropriation Accounts with any statements of [illegible] or with an analysis of outstanding objections. It [illegible] proposed elsewhere (Annexure No 31), that these matters should be [illegible] in the reconstituted Audit Report for the executive Government

7 Assuming that this arrangement, which closely follows the British procedure will be accepted, necessary [illegible] to this effect have been embodied in the draft manual for the preparation of audit and appropriation reports (Appendix 3)

ANNEXURE 27

(Referred to in paragraph 7[illegible])

General Review of Appropriation Accounts and other general remarks in the Report on Appropriation Accounts

In paragraph 71 of the Report it is stated that the remarks of a general character, made in the [illegible] on the appropriation account should be on a systematic [illegible]. The detailed suggestions on this point are stated below

2. The general remarks, *i.e.*, the remarks other than comments and observations on appropriation accounts of individual grants, may be broadly divided into four classes—

(1) General review of appropriation accounts.

(2) Review of finance.

(3) Changes in form and classification.

(4) Miscellaneous remarks.

3. As instances of class (1), *viz.* General review of appropriation accounts, may be cited the following—

(*a*) Comments upon the administration of grants and upon the control over expenditure generally.

(*b*) Expenditure requiring to be covered by excess grants.

(*c*) Comments upon savings if they are considerable or appear in a large number of grants.

(*d*) General remarks on the "outturn of the year" and comparison of the total expenditure with the gross estimates, also a combined statement of expenditure in India and in England.

(*e*) List of specific reductions in grant which were made by the Legislature and the extent to which the cuts so desired have been respected.

(*f*) Lists of certified and restored demands.

(*g*) Results of important test-audits applied locally or otherwise and any remarkable changes in the extent or character of the audit applied to any accounts.

4. As regards class (2)—Review of finance—the existing practice may continue though it is desirable to emphasise, in respect of provincial finance, that it is unnecessary to review in full detail the financial position every year unless that position is unsatisfactory.

5. Suggestions in regard to class (3)—Changes in form and classification—are made separately in Annexure No. 28.

6. The fourth class—Miscellaneous remarks—should, as at present, deal with such matters as the description of the constitution and functions of the Committee on Public Accounts and the action taken on previous reports (see also Annexure No. 29). No change of any importance is recommended.

7. The detailed instructions, which are considered necessary to give effect to these recommendations, have been incorporated in Chapters IV to VIII of Part II of the draft manual of instructions for the preparation of audit and appropriation reports (Appendix 3).

ANNEXURE 28.

(Referred to in paragraph 72).

Changes in Classification affecting Grants and Appropriation Accounts.

At present, it is customary for Accountants General to devote a portion of the Appropriation Report to describing all changes effected

in the accounts classification (both receipts and expenditure) during the year under review, whether such changes are made under the orders of the Accountant General himself or under those of the Secretary of State or the Auditor General. The reasons for the changes are also stated. See Article 826 of the Audit Code

2 A reference to the Appropriation Reports of different Audit Officers would show that the changes in accounts classification, which are described in this section of the report, are mainly the changes in the detailed classification of the general accounts as prescribed in Appendix 7 to the Audit Code I am of opinion that the various Committees on Public Accounts, who have no direct connection with the classification of general accounts, are not interested in a description of all the changes made therein, and that so far they have taken little or no notice of this portion of the reports.

3 Nor is there anything corresponding to this in the British reports.

4 In regard to the classification of receipts, the Committee on Public Accounts have no interest.

5 The case of expenditure accounts is, however, on a different footing inasmuch as the appropriation accounts, in which the Committees are interested, have to be prepared from the general expenditure accounts, and, therefore, the sub-heads of the *appropriation* accounts are so designed as to fit in with the classification of the general accounts of expenditure into major and minor heads

6 It seems, therefore, that it will suffice if only those changes of accounts classification which affect the expenditure heads mentioned in the appropriation accounts, i e, the expenditure major and minor heads of the general accounts and the sub-heads of the appropriation *accounts, are mentioned in the audit and appropriation accounts.*

7 Changes in the scope of a grant, i.e, re arrangements of grants, should also be mentioned as being directly relevant to the appropriation accounts

8 Similarly, alterations in the classification of expenditure from voted to non voted, from reserved to transferred (in the case of provincial expenditure), from central to provincial and [illegible] are pertinent to the appropriation accounts, and should be [illegible] too

9 Changes made in the form of the appropri[illegible] important statements or subsidiary accounts [illegible] priation accounts should also be mentioned [illegible] Appropriation Accounts, so that the atten[illegible] of the [illegible] Public Accounts may be drawn to such changes

10 In respect of those changes of accounts classi[illegible] would not be mentioned under the above proposals [illegible] be urged that a continuous record of [illegible] Such a record could be maintained [illegible] it would not only be foreign to the [illegible] audit report but would unnecessarily [illegible] therefore recommended.

11 Detailed instructions giving [illegible] incorporated in Chapter VI of Part [illegible] of the draft manual of instructions for the [illegible] appropriation reports (Appendix [illegible])

ANNEXURE 29.

(Referred to in paragraph 72).

Action taken on previous year's Audit and Appropriation Accou

In Great Britain, if an irregularity mentioned in the Comptro and Auditor General's report forms a subject of investigation by Committee on Public Accounts, ordinarily the Comptroller and Aud General does not mention it again in a subsequent report, and seems that it is the Committee itself that peruse the case in sense that if the action ultimately taken by the Treasury is not to satisfaction of the Committee, the Committee state their views length in their report for the year concerned or in a subsequent yea report. The Comptroller and Auditor General, it seems, mentic irregularities in a second report, only when the accounts bring to lig any further facts which he thinks should be laid before the Committ

2. It is a question for consideration to what extent this practi should be followed here. In India Audit Officers have instructio to watch even the action taken by the Committee itself, and, as financial irregularities, it is rarely the case that they are mention before final orders thereon are passed by the Government concerne

3. In course of time the Committees on Public Accounts in Indi will probably peruse their own reports to a greater extent that the seem to be doing at present, and ultimately they may not need i this matter the assistance of the Audit Officer.

4. At the same time, it is to be recognised that the constitution position in India is somewhat different from that in Great Britain. I the latter country, the Audit Officer reports to the Legislature, an the Legislature is a sovereign body. In India, the Legislatures a only subordinate Legislatures, and, though the Audit Officer represent them, he also represents Parliament and the Secretary of State.

5. In these circumstances, it seems desirable that, for the preser at least, the existing rules requiring Audit Officers to watch the actio taken on their reports should continue in respect of both the Audi Report and the Report on the Appropriation Accounts. This is th view taken in framing the revised instructions in the draft manua for the preparation of audit and appropriation reports (Appendix 3).

ANNEXURE 30.

(Referred to in paragraph 75).

Reporting of Financial Irregularity in Audit Reports.

In Great Britain it appears that the Comptroller and Auditor General does not exclude from his reports irregularities on which the Treasury has not passed final orders.

2. In India the procedure as prescribed in Article 806 of the Audit Code is that cases of irregularities should not be mentioned in the Audit Report, except with the special sanction of the Government concerned, before the Government has passed orders thereon.

3. It is a question for consideration if our local rule should stand. It has no doubt the advantage that settled cases only are mentioned. On the other hand, the drawback is that financial irregularities are often not mentioned to the Committee on Public Accounts at the

earliest opportunity, and the record of the financial irregularities connected with the audit work of a year as presented to the Committee, is not complete This can be justified only if it be conceded that the sole *function of the Committee in respect of these irregularities is to* criticise the action of the Finance Department, and that, therefore, the Finance Department must have their say on a case before the Committee proceed to criticise it

4 In Great Britain the idea seems to be that though the Public Accounts Committee may and does now and then criticise the Treasury when necessary, the two authorities are really working with an identical object and support each other in the maintenance of financial regularity Presumably in India also this will be the goal to be aimed at If so, there would appear to be no harm if the audit authorities included in the report of a year, as the Comptroller and Auditor General does in Great Britain all financial irregularities noticed since the last Report was submitted, whether the Government concerned had finally disposed of the case connected with the irregularity or not

5 It should be remembered, indeed, that even if an attempt is made to observe the British procedure in India, it will not be possible to ensure the incorporation in the Report on the accounts of a year, of all *irregularities noticed in audit in connection therewith* For instance, where some transactions are subjected to local audit, even though such audit may be conducted regularly at yearly intervals, it is inevitable that points noticed in connection with the accounts of one year will be commented upon in the Reports for a later year, not necessarily the following year This, however, seems to be an additional and urgent reason for adopting the English procedure in preference to our local rule, under which the delay is greater still

6 For these reasons, in the draft manual of instructions for the preparation of audit and appropriation reports (Appendix 3), it is being prescribed that all financial irregularities should be mentioned in the report on the audit and appropriation accounts whether or not the Government concerned has considered them and passed orders Following the British procedure, even the explanatory foot-notes appended to the appropriation accounts have to be completed in respect of irregularities connected therewith and of other abnormal features of the expenditure brought to account This being the case, important financial irregularities cannot very well be omitted from the Report on the *plea* that the Government has not yet *had the opportunity* of considering them or passing final orders

7 Here, it is necessary to allude to the proposal made in paragraphs 15 *et seq* of the Report, to enlarge the scope of the existing Appropriation Report, in such a way that instead of laying two different *reports* on the accounts of a year (*i e* the Audit Report and the Appropriation Report) before the Committee on Public Accounts, at two different times and at intervals of several months a single document called "audit and appropriation accounts" in the language of the Indian and Provincial Legislative Rules, may be presented to them It is not proposed to abolish the separate Audit Report which is now prepared nearly six months in advance of the Appropriation Report, but though its scope will also be slightly amended it is intended to make it a report for the executive Government only The two documents—*i e* the Audit Report for the executive Government, and the Audit and Appropriation Accounts (with Report) for both the executive Government and the Legislature, will thus constitute the Audit and Appropriation Reports referred to in Rule 15 of the Auditor General's Rules.

8. It is proposed that in the reconstituted Audit Report, individual financial irregularities, which are serious or *important*, should continue to be mentioned in such a way as to bring into prominence the *types* of irregularities that were prominent during the year under review. At the same time, the Audit and Appropriation Accounts should mention, in the Notes to the appropriation accounts concerned or in the Report, as may be suitable, all financial irregularities of importance connected with the accounts of each Grant separately.

9. As this may appear to involve some repetition, it is necessary to explain the object. As the Audit Report would be prepared with the object of enabling the executive Government, both in the Finance Department and in the administrative department concerned, to review collectively the results of the audit of the year under report, it is desirable that not only the statistics of audit objections but also the reports of all important and serious financial irregularities should find a place in that report even though they might have been reported previously to the administrative department, or even to the Finance Department in accordance with the normal procedure observed in audit offices and even though the final decision thereon might not have been communicated to the Accountant General. This collective presentation of the financial irregularities of the year (classified into the various types of irregularities), together with the statistics and analysis of objections, would enable the Government to take such remedial or other administrative action as might be deemed necessary and indeed give the Government the opportunity of reconsidering their previous orders if held inadequate by the audit officer. The Audit and Appropriation Accounts would be prepared with the object of presenting, in respect of each Grant separately, a complete record not only of the expenditure (by sub-heads or other details) incurred against the Grant but also all the special features (including financial irregularities) of the expenditure brought to account. Barring the less serious irregularities, all important instances of disregard of regulations or financial interests of the Government must be placed on record, and in order to complete this picture of the accounts of the year, it might even be necessary to state the action taken by the executive Government and to comment upon it in suitable terms if in the opinion of the Accountant General the action taken was inadequate. Thus, by the time the Audit and Appropriation Accounts would be due for submission, the action taken by the Government on most of the financial irregularities reported to them (whether individually or collectively through the Audit Report) would ordinarily be known, and it should, therefore, be possible for the Accountant General to make the Audit and Appropriation Accounts complete in this respect.

10. In other words, though there would be a little duplication in respect of mentioning financial irregularities in these reports, the results of this arrangement, if accepted, would be (1) that the Committee on Public Accounts would be called upon to deal with the accounts of a year only once and not twice as was hitherto the case, (2) that when dealing with the accounts they would have before them in respect of each Grant a complete account and a complete statement of irregularities and comments connected therewith, and (3) that though in some cases there might be a few months' delay as compared with the arrangement hitherto in force in the Committee's taking into consideration the reports of financial irregularities, this delay would not be prejudicial to the interests of the tax-payer inasmuch as the Government concerned would still get the opportunity, at the

same time as hitherto (and in respect of some irregularities even earlier), of proceeding to review the collective results of audit and to take suitable action thereon In connection with (3), so far as the Central Committee on Public Accounts is concerned, there would be no delay at all, as this Committee is in practice unable to deal with the Audit Report of a year in advance of the Appropriation Report of that year

11 Indeed, the executive Government would have a further period of six months, more or less, within which to complete their proceedings relating to unsettled financial [illegible] vely to their notice through the Audit [illegible] irregularity is mentioned in the futu[illegible] ccounts, normally the final orders of Government on it may be expected to have been passed unless the case presented any special difficulty

12 These proposals contemplate no change in the existing practice of reporting individual financial irregularities to the administrative department of the Government concerned, and, in certain cases, also to the Finance Department. This will continue practically undisturbed.

13 The detailed procedure to be observed is described in the draft manual for the preparation of audit and appropriation reports (Appendix 3)

ANNEXURE 31

(Referred to in paragraph 80)

Statistics and Analysis of Audit Objections

One of the peculiar features of the Indian Audit and Appropriation Reports is the section of the present Audit Report giving the collective statistics and analysis relating to expenditure placed under audit objection

2 This portion of our reports dates from pre reform days and is valuable in the sense that its present form is the result of many years' experience

3 In Great Britain there is nothing exactly corresponding to this. The objections relating to the accounts of each vote are either appended to those accounts in the form of Notes, or are mentioned specifically in the body of the Comptroller and Auditor General's report

4 One of the reasons for the difference in procedure probably is that under the Indian system of audit and accounts, the maintenance of a separate record of audit objections relating to each department of the administration has not been possible, and under the English system there is no need or facility for the collective presentation of the objections relating to all departments

5 The question which requires consideration is whether it is necessary to retain this feature of our reports As may well be imagined, it certainly gives some idea, to the Finance Department of the Government concerned, of the extent to which deviation from financial regulations is rampant, but at the same time it must be admitted that the Finance Department is not placed in a position to locate the irregularities and to determine which particular department must be taken to task In practice, therefore the only action which the Finance Department can take, and which the Audit Department can insist on being taken, is the issue of general instructions to all de[illegible] including those which may be on their best behaviour.

also shows that such general instructions are often of little avail ev in cases (such as *those of the Public Works Department*) where t irregularity brought out by the collective statistics transparently relat to a single department.

6. There is another way of looking at the question. Though o Audit and Appropriation Reports do deal, *to an appreciable exte* with non-voted expenditure and some other matters not falling with the purview of the Committee on Public Accounts, it may perhaps assumed that under the Reformed Constitution these reports are mea to be documents prepared mainly for the purposes of the Legislatu This *is not strictly correct at present*, but presumably this should the ideal, so that ultimately, with the development of self-Governme the appropriation accounts may be looked upon as accounts intend for the Legislature. *From* this view point, the *place for presenti* any statistics of audit objections (if otherwise required) is perha not the appropriation account. Such statistics may be of use to t executive Government, but it seems doubtful if the Committee on Publ Accounts can make much use of them. The Committee would no doub prefer to have before *them* reports of *important deviations from* the purposes of individual grants so that an expression of their opinion recorded with reference thereto might filter down to the delinquent department concerned and thus be productive of good result in the interest of the tax-payer.

7. Until recently our audit was mainly for the executive, and now *appropriation audit on behalf of the Legislature is to take its place to* a considerable extent. We have probably learnt to put considerable faith in the utility of these statistics, but if we attempt to see far ahead and take a practical view of the case, even in the light of our experience of the past relating to these statistics, the British system would seem *likely to be productive of better results. In any case, it* is doubtful if the continuance of the Indian system will be conveniently practicable if the audit department is relieved of accounts work, and local audit and test audit are substituted largely for the existing central audit and cent per cent audit.

8. In paragraphs 15 *et seq* of the Report has been put forward a proposal to re-arrange the Audit and Appropriation Reports in such a manner as to divide them into two separate Reports—*viz.* (1) the Audit Report to be dealt with by the executive Government, and (2) the Audit and Appropriation Accounts to be dealt with both by the executive Government and the Committee on Public Accounts. Assuming that it will probably be held convenient not to arrive at a final decision regarding the abolition of the collective statistics and analysis of audit objections until the separation of *audit and accounts has been* effected to a substantial extent, it is proposed to make only the following changes for the present:—

(*a*) The collective statistics and analysis relating *to all audit* objections, including those arising out of appropriation audit, should appear wholly in the Audit Report prepared for the executive Government.

(*b*) The inferences to be drawn from (*a*) above as to the progressive improvement or deterioration in the general standard of regularity of expenditure should also appear in the Audit Report, along with the statistics, etc. In the Audit and Appropriation Accounts, these inferences should be stated in the general review on the accounts, but without the statistics, etc.

(c) Important and serious financial irregularities—whether dealt with satisfactorily by the executive Government or not—should be mentioned in the Audit and Appropriation Reports prepared for both the executive Government and the Committee on Public Accounts, either in the explanatory footnotes to the appropriation account concerned or in the general report covering the Appropriation Accounts according to the importance of each case.

Instructions to this effect have been incorporated in the Audit manual for the preparation of audit and appropriation reports (appendix [illegible]).

ANNEXURE [illegible]

(Referred to in paragraph [illegible])

[illegible]

Under article 312 of the Audit Code, Audit Officers are required to devote a few paragraphs of the present Audit Report to a summary of the special energies of the Audit Department during the year under review *Inter alia*, brief information is required to be given, in this section of the report, on the following points —

(a) Inspection of Public Works offices and treasuries and any specially noticeable results derived therefrom.

(b) Any special work done in connection with the initial accounts of departmental officers, or accounts of quasi-commercial undertakings, and so forth.

(c) Important changes in the account and audit of financial rules or procedure which affected the work of the Department.

(d) Any special work imposed upon the Audit Office by any special circumstances, showing its nature and the estimated period for which it may continue.

(e) Any other point of interest worth notice in the review.

(f) How far the matters noticed in the last report have been settled.

2. Point (b) forms the subject of paragraphs [illegible] *et seq* of the Report dealing with the exhibition of trading accounts in appropriation accounts. As it is proposed hereafter to append trading accounts, when necessary, to the appropriation accounts of the Grants concerned, any special work done in connection with an existing or a new quasi-commercial undertaking will automatically be mentioned either in the Notes to the appropriation account concerned, or in the Report on Appropriation Accounts.

3. Point (f) can hardly be called an "audit activity" In [illegible] ure No. 29 is examined the question whether a Re[illegible] tion Accounts should or should not state (and, [illegible] ment upon) the action taken on the previous [illegible] that question would apply equally to the A[illegible]

4. It remains, therefore, to examine how [illegible] (c) are fit to be dealt with in the reconstitute[illegible] on Appropriation Acco[illegible]

5. So far as these points deal primarily with the administration of the Audit Department, they would seeem to be foreign to the main object of the Audit and Appropriation Reports. Such matters may be fit subjects for an Administration Report of the Audit Department and with such a report the provincial Legislatures or Governments have nothing to do.

6. It is suggested, therefore, that this section of the present Audit Reports should be completely re-organised as follows:—

(*a*) Results of inspections and other special investigations, if important or serious enough, should be mentioned as financial irregularities in the reconstituted Audit Report, or in the Comments or Notes in the audit and appropriation accounts, as the case may be.

(*b*) Deficiencies of financial and account rules and procedure may also be mentioned in the reconstituted report concerned but not as activities of the Audit Department.

(*c*) Any comments of a general nature affecting the activities of the audit office should be omitted altogether.

7. Presumably, the Audit Code rule referred to above was framed on the analogy of the Appendix to the Comptroller and Auditor General's Appropriation Report on the accounts of Great Britain for 1919-20, which it seems was introduced for the first time by Sir H. J. Gibson whose reason will be apparent from the extract from paragraph 2 of that report.

"Appendix A.—will be repeated periodically—summarises concisely the history of the Exchequer and Audit Department's staff during the last calendar year. As is generally known the department does not work under the directions of any Minister and it is perhaps fitting that Parliament—fo whom, broadly speaking, its main work is performed— should be made aware of the salient facts concerning it."

It is interesting to note that this Appendix has quietly dropped ou of the British reports, though it has not been found possible to asce tain the reasons.

8. In this connection, it is interesting to mention that sub-sectio (4) of section I of the British Exchequer and Audit Departments A 1921, requires the Comptroller and Auditor General to "report to t House of Commons any important change in the extent or charac in any examination made by him." There is no corresponding statut requirement in India, but it is proposed to direct Audit Officers adopt a similar practice and to mention in their Audit and Approp tion Accounts any important change in the extent or character of t audit, *e.g.* when test audit is substituted for cent per cent audit an appreciable change is made either in the frequency or in the de of audit applied to transactions of any important class, *vide* anne No. 27 [paragraph 3 (*g*)].

9. The relevant rules in the draft manual for the preparati audit and appropriation reports (appendix 3) have been f accordingly.

ANNEXURE 33

(Referred to in paragraph 85)

Form of Budget Estimates of Commercial Undertakings

In respect of Government undertakings which are supposed to be run on a commercial basis it is desirable to settle how the budget estimates should be framed, so that appropriation accounts and appropriation audit may be regulated accordingly

2. From the accounts point of view, the procedure contemplated seems to be that indicated in article 30 of the Account Code which requires appropriation only for—

(1) charges on capital account, and

(2) losses, if any, on revenue account.

This is an exception to the general rule requiring all expenditure to be covered by appropriation. It does not contemplate any [illegible] to cover either the gross or the net expenditure on revenue [illegible] idea presumably being that the Administrative Department [illegible] would be at liberty to lay down, from time to [illegible] revenue expenditure and to place [illegible] powers of the managers of the undertakings [illegible] ance of any financial embarrassment due to [illegible]

3 In Great Britain even the [illegible] regular grant. Sometimes this grant [illegible] authorised and makes allowance [illegible] peculiar to the British system [illegible] account, at other times, [illegible] of £100), though it appears that [illegible] does not favour [illegible]

4 Our Central Committee on [illegible] emphasis on appropriation [illegible] penditure as well as [illegible]

5 It may be mentioned that [illegible] cedure, as stated [illegible] the Account Code [illegible] tancy in India [illegible] in mind in [illegible] cial Government [illegible] it is understood [illegible] of account [illegible] matter of [illegible]

6. The [illegible]

(a) [illegible]

(b) [illegible]

5. So far as these points deal primarily with the administration of the Audit Department, they would seem to be foreign to the main object of the Audit and Appropriation Reports. Such matters may be fit subjects for an Administration Report of the Audit Department and with such a report the provincial Legislatures or Governments have nothing to do.

6. It is suggested, therefore, that this section of the present Audit Reports should be completely re-organised as follows:—

(*a*) Results of inspections and other special investigations, if important or serious enough, should be mentioned as financial irregularities in the reconstituted Audit Report, or in the Comments or Notes in the audit and appropriation accounts, as the case may be.

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It is interesting to note that this Appendix has quietly dropped out of the British reports, though it has not been found possible to ascertain the reasons.

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9. The relevant rules in the *draft manual* for the preparation of audit and appropriation reports (appendix 3) have been framed accordingly.

ANNEXURE 33.

(Referred to in paragraph 85)

Form of Budget Estimates of Commercial Undertakings

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(1) charges on capital account, and

(2) losses, if any, on revenue account

This is an exception to the general rule requiring all expenditure to be covered by appropriation It does not contemplate any vote to cover either the gross or the net expenditure on revenue account, the idea presumably being that the Administrative Department concerned would be at liberty to lay down, from time to time, the programme of revenue expenditure and to place such financial restrictions on the powers of the managers of the undertakings as would ensure the avoidance of any financial embarrassment due to the absence of a vote

3 In Great Britain even the revenue expenditure is covered by a regular grant Sometimes this grant specifies the gross expenditure authorised and makes allowance (under the head Appropriation in Aid peculiar to the British system of accounts) for the receipts on revenue account, at other times, there is only a net vote (a token vote, say, of £100), though it appears that the Public Accounts Committee now does not favour net sub heads

4 Our Central Committee on Public Accounts also seems to lay some emphasis on appropriation audit being conducted against gross expenditure as well as net expenditure

5 It may be mentioned that although our recognised Indian procedure, as stated above, is that which is prescribed in article 30 of the Account Code, it appears that (as commercial accounts are in their infancy in India) the requirement of this rule is not universally borne in mind in framing estimates for demands for grants Whilst provincial Governments appear to be in favour of adopting this procedure, it is understood that the Central Government is not so As it is a rule of account only, it is of course not binding upon Governments in the matter of framing estimates.

6 The questions, therefore, for settlement are —

(a) whether the account code rule should be amplified in the direction indicated, or otherwise amended, and

(b) whether there should be any convention requiring the estimates of the expenditure relating to commercial accounts to be prepared in a manner consistent with the accounts rule (whether amplified or not)

ANNEXURE 34.

(Referred to in paragraph 103).

Date of submission of Audit and Appropriation Accounts.

As regards the due date of submission of the Appropriation Accounts, no definite proposals can be made at present.

2. As a direct result of their elaboration, their publication will no doubt be somewhat delayed, not only because the elaboration will increase the clerical work in the audit offices concerned (which can be counteracted to a certain extent by allowing them extra staff), but also because many of the notes, statements, etc. to be appended to the appropriation accounts will either have to be obtained by the audit officers from the departmental officers concerned or completed after consulting the latter. Further, the work of incorporating the appropriation accounts prepared by provincial Accountants General and other officers, in the appropriation accounts prepared by the Accountant General, Central Revenues, will increase considerably, as, instead of merely incorporating the accounts received from other officers, the Accountant General, Central Revenues, will now have to prepare from those accounts a consolidated appropriation account of each Grant. This additional work may, to an appreciable extent, delay the publication of the accounts.

3. In the first year or two of the new amplified appropriation accounts, the delay may be greater still, (1) as initial work always presents difficulties, foreseen as well as unforeseen, and (2) as the form and substance of some of the subsidiary statements and accounts to be appended to the appropriation accounts can be evolved only gradually.

4. It is relevant to mention that any delay that occurs in the publication of the Audit and Appropriation Accounts is not likely to cause inconvenience to the Committee on Public Accounts, seeing that at present they are unable to take up the accounts until several months after their submission to Government. Tentatively, the due date of submission by the Accountant General, Central Revenues, is being fixed a month later than at present, *viz.* 1st April of the second year following that to which the accounts relate, instead of 1st March.

5. In the draft manual of instructions for the preparation of appropriation accounts, it is, however, being prescribed that, with the object of giving more time to the controlling authorities concerned to [illegible] their explanations of audit criticisms, the Accountant-General, Central Revenues, should send them in advance copies of their respective appropriation accounts as soon as possible.

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